lish at the same time a new Cabinet post entitled Secretary of Monopolies who would award 20-year monopoly franchises to well deserving institutions with power, prestige, or a long history of contributions to campaign funds. The power to grant monopolies, gentlemen, was one of the evils of royalty for which revolutions were fought in Britain. I trust you will not permit those who would seek special privileges to obtain this right in the United States without even a struggle.

Gentlemen, let me make my position on this legislation clear. I believe that with the passing of the crisis that had actually involved the United States in a shooting war, we are presently in a position to accomplish virtually all of our defense requirements within the traditional framework of the antitrust laws. Free competition has provided the American people the wherewithal to resist open aggression in the past, and, certainly, will continue to do so in the future.

I want to add, nevertheless, that if you, in your wisdom, see fit to extend the immunity provisions from the antitrust laws, they should be carefully limited to terminate at the end of the Defense Production Act. We need no widespread monopoly licensing provisions which would grant a privileged few the right to violate the antitrust laws for as much as two decades with no supervision or control. Immunity, if immunity there must be, should be confined to the period in which you extend the Defense Production Act for all other purposes. And any exemptions from the act should be carefully restricted to matters coming within the aims, objectives, and purport of the basic statute.

WOC PERSONNEL

Section 5 of S. 2165 provides for the establishment of a reserve force of WOC's so that they would be ready to take over top Government positions in the event of any emergency. I believe the committee should carefully study the background and need for such a provision before enacting any such provision.

Reference was made in your hearings yesterday to our experience with these WOC's during World War II. I would therefore respectfully call to your attention in this connection the study of WOC's made by the Truman committee (S. Rept. No. 480, 77th Cong., 2d sess. (1942), pp. 7–10). In part, this is what the committee concluded—and I commend the report in full for your study:

"Although the contracts obtained by the companies loaning the service of dollar-a-year and WOC men are not passed upon by the men so loaned, such companies do obtain very substantial benefits from the practice. The dollar-a-year and WOC men so loaned spend a considerable portion of their time during office hours in familiarizing themselves with the defense program. They are, therefore, in a much better position than the ordinary man in the street to know what type of contracts the Government is about to let and how their companies may best proceed to obtain consideration. They also are in an excellent position to know what shortages are imminent and to advise their companies on how best to proceed, either to build up inventories against future shortages, or to apply for early consideration for priorities. They can even advise them as to how to phrase their requests for priorities. In addition, such men are frequently close personal friends and social intimates of the dollar-a-year and WOC men who do pass upon the contracts in which their companies are interested.

"These are only a few of the advantages which large companies have obtained from the practice, and it should be especially noted that they are the very same ones which the small and intermediate businessmen attempt to obtain by hiring people who they believe have 'inside information' and 'friends on the inside' who could assist them in obtaining favorable consideration of contracts. Therefore, in a very real sense the dollar-a-year and WOC men can be termed 'lobbyists' * * *.

"The committee is opposed to a policy of taking free services from persons with axes to grind, and the committee believes that the Government should not continue to accept the loan of dollar-a-year and WOC men by companies with so large a stake in the defense program."

Our experience with these WOC's in the recent hot-war period of Korea has been no more successful. Mr. Fleming referred to the Executive orders of the President designed to implement the WOC provisions of the Defense Production Act with respect to the use of WOC's. But these were blatantly and continue to be blatantly ignored. For example:

1. Section 102 (a) of Order 10182 provides that as far as possible "operations under the act shall be carried on by full time, salaried employees of the Government." However, Mr. Chairman, if you read the statements of officials in setting up the Business and Defense Services Administration, you will find that there is expressed a preference and an avowed policy of hiring WOC's notwithstanding the availability of Government personnel on a paid basis. This policy was expressed by Mr. Weeks in a speech describing the aim of the new Business and Defense Services Administration on June 9, 1953, as follows:

"We propose * * * (5) to establish approximately 20 main industry divisions with key advisers, recommended by various industries to represent them, and staffed for operation purposes by industrial experts from the career services, * * * the functions of the proposed business services agency will be to. * * *(6) See to it that, while private business, of course, cannot dictate Government policy and plans, it be placed in a position where it can effectively approve or disapprove of the implementation of such policy and plans from the standpoint of their practical workability in every day industrial operation."

And, of course, that is exactly what this legislation would approve of on a long-term basis.

2. Section 301 (d) of Order 10182 requires that in obtaining WOC's, the administrator or head of the hiring agency must certify that he has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis. Mr. Chairman, it would be interesting indeed to see in how many instances even the slightest attempt was made to find full-time Government employees before hiring a WOC. Certainly that can't be the policy now when a preference has been expressed in the Business and Defense Services Administration for hiring WOC's without thought to whether there were qualified personnel on a paid basis available.

3. Section 301 (c) requires that in appointing WOC's for the head of the department to certify "That the appointee has the outstanding experience and ability required by the position." If you examine how WOC's have been and are chosen in practice you will find that they are appointed not on the basis of individual merit but on a company rotation basis. Large companies are requested—yea, urged, to send a man to Washington to staff the agency. The agencies get what the company can spare. As a result, you will find that any number of WOC's have been nothing but salesmen, with no particular skills to contribute that could not have been found elsewhere. A number of WOC's have been so called "Washington representatives" of large and powerful concerns. And it would make a most interesting study to learn how many WOC's once having worked in the Government thereafter remain in Washington to represent their companies in Government transactions.

In closing, Mr. Chairman, I want to leave with you for inclusion in your record, pp. 78–91; and 97–98 of House Report No. 1217 of the 82d Congress which has some valuable information relating to the use of WOC's. This study was completed by a subcommittee of which I was chairman. The committee concluded that: "the employment of WOC's during the mobilization period should be kept at a minimum." If this conclusion was true during a period of actual hostility, how much more is it valid now during a period when there is no overt military action.

For these reasons, Mr. Chairman, the committee should require Secretary Weeks to furnish it a list of all WOC's with positions they have occupied in government and their corporate affiliations. I respectfully urge a full and complete examination of the WOC program before any such blanket recruitment of persons representing private interests for important government policy provisions is undertaken by statute.

SENATE

WEDNESDAY, JUNE 8, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, help of the ages past, hope for the years to come: Thou God of grace and glory, we would yield our flickering torch to the flame of Thy redeeming love. Closing for these dedicated moments the door upon the outer world, with its shouting and its tumult, we know ourselves for what we are, petty, proud creatures who seek their own wills and whims in spite of the polished courtesies and noble professions with which we come to Thee. But in the light of Thy presence we pour contempt on all our pride. As every ray of sunshine leads back to the sun, so, as we bow at this wayside shrine, teach our thoughts to travel up the road of Thy benedictions to Thyself:

"For every virtue we possess,
And every victory won,
And every thought of holiness,
Are Thine alone."

We pray that Thou wilt make every personal and national blessing a transparent window in the temple of service, so that the effulgent light of Thy spirit may shine through it in glory for human good. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 7, 1955, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of

the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 39. An act for the relief of Stanislavas Racinskas (Stacys Racinskas);

S. 68. An act for the relief of Evantiyi Yorgiyadis;

S. 89. An act for the relief of Margaret Isabel Byers;

S. 93. An act for the relief of Ahti Johannes Ruuskanen;

S. 121. An act for the relief of Sultana Coka Pavlovitch;

S. 129. An act for the relief of Miroslav Slovak;

S. 193. An act for the relief of Louise Russu Sozanski;

S. 236. An act for the relief of Johanna Schmid;

S. 265. An act to amend the acts authorizing agricultural entries under the nonmineral land laws of certain mineral lands in order to increase the limitation with respect to desert entries made under such acts to 320 acres;

S. 266. An act authorizing the Secretary of the Interior to transfer certain property of the United States Government (in the Wyoming National Guard Camp Guernsey target and maneuver area, Platte County, Wyo.) to the State of Wyoming;

S. 320. An act for the relief of Mrs. Diana Cohen and Jacqueline Patricia Cohen;

S. 321. An act for the relief of Anni Marjatta Makela and son, Markku Paivio Makela;

S. 351. An act for the relief of Ellen Henriette Buch;

S. 407. An act for the relief of Helen Zafred Urbanic;

S. 439. An act for the relief of Lucy Personius;

S. 504. An act for the relief of Priska Anne Kary;

S. 528. An act to revive and reenact the act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River, at or near Baudette, Minn., approved December 21, 1950;

S. 755. An act to authorize the conveyance of certain war-housing projects to the city of Warwick, Va., and the city of Hampton, Va.;

S. 844. An act for the relief of Zev Cohen (Zev Machtani);

S. 998. An act to authorize the conveyance of a certain tract of land in the State of Oklahoma to the city of Woodward, Okla.;

S. 1398. An act to strengthen the investigation provisions of the Commodity Exchange Act;

S. 1419. An act to lower the age requirements with respect to optional retirement of persons serving in the Coast Guard who served in the former Lighthouse Service;

S. J. Res. 6. Joint resolution to provide for investigating the feasibility of establishing a coordinated local, State, and Federal program in the city of Boston, Mass., and general vicinity thereof, for the purpose of preserving the historic properties, objects, and buildings in that area;

S. J. Res. 51. Joint resolution extending an invitation to the International Olympic Committee to hold the 1960 winter Olympic games at Squaw Valley, Calif.; and

S. J. Res. 60. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 26) providing for the continued operation of the Government tin smelter at Texas City, Tex.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 2061) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department, and it was signed by the Vice President.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Securities Subcommittee of the Committee on Banking and Currency be authorized to meet during the session of the Senate today. This request has been cleared with the minority leader [Mr. KNOWLAND].

The VICE PRESIDENT. Without objection, it is so ordered.

SUSPENSION OF CERTAIN IMPORT TAXES ON COPPER

Mr. JOHNSON of Texas. Mr. President, I am about to ask unanimous consent—and I call the request to the attention of the distinguished Senator from Nevada [Mr. MALONE] and the minority leader, the distinguished Senator from California [Mr. KNOWLAND]—that debate on all amendments and on the bill (H. R. 5695) to continue until the close of June 30, 1958, the suspension of certain import taxes on copper be confined to an hour and a half, the time to be equally divided between and controlled by the Senator from Nevada and the Senator from Texas.

In order that the proposed agreement may be formalized in the usual language contained in such agreements, I send it to the desk in writing, and ask that it be read.

The VICE PRESIDENT. The proposed agreement will be read.

The legislative clerk read as follows:

Ordered, That, effective on Wednesday, June 8, 1955, at the conclusion of routine morning business, during the further consideration of the bill (H. R. 5695) to continue until the close of June 30, 1958, the suspension of certain import taxes on copper, debate on all amendments, motions, or appeals, except a motion to lay on the table, shall be limited to 1½ hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. JOHNSON of Texas. Mr. President, it is the intention to limit debate on both the amendments and the bill to a total of 90 minutes.

The VICE PRESIDENT. Is there objection to the proposed agreement? The Chair hears none, and the agreement is entered into.

TRANSACTION OF MORNING BUSINESS

Mr. JOHNSON of Texas. Mr. President, inasmuch as the Senate met today following an adjournment, there is the usual morning hour. I ask unanimous consent that during the morning hour speeches be limited to 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, EXECUTIVE OFFICE OF THE PRESIDENT (S. Doc. No. 48)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, for the fiscal year 1956, in the amount of $1,250,000, for the Executive Office of the President, in the form of an amendment to the budget for the said fiscal year (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT RELATING TO JURISDICTION OF BOARDS OF REVIEW

A letter from the Secretary, Department of the Air Force, transmitting a draft of proposed legislation to amend section 301, Servicemen's Readjustment Act of 1944, to further limit the jurisdiction of boards of review established under that section (with an accompanying paper); to the Committee on Armed Services.

DISPOSITION OF CERTAIN REMAINING ASSETS SEIZED UNDER THE TRADING WITH THE ENEMY ACT

A letter from the Attorney General, transmitting a draft of proposed legislation to authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941 (with accompanying papers); to the Committee on the Judiciary.

INCREASED EXPENDITURES FOR ENFORCEMENT OF CUSTOMS AND IMMIGRATION LAWS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended (with accompanying papers); to the Committee on Public Works.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 1790. A bill to amend section 4153 of the Revised Statutes, as amended, to author-

lze more liberal propelling power allowances in computing the net tonnage of certain vessels (Rept. No. 500);

H. R. 4359. A bill to amend the act of September 30, 1950 (64 Stat. 1096), to provide for the conveyance of certain real property to the city of Richmond, Calif. (Rept. No. 501);

H. R. 5146. A bill to authorize the President to promote Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey on the retired list, to the grade of rear admiral (lower half) in the Coast and Geodetic Survey, with entitlement to all benefits pertaining to any officer retired in such grade (Rept. No. 502); and

H. R. 5398. A bill to increase the efficiency of the Coast and Geodetic Survey, and for other purposes (Rept. No. 503).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce; with amendments:

S. 1791. A bill to amend section 3 of the act of April 25, 1940 (54 Stat. 164), relating to the lights required to be carried by motorboats (Rept. No. 504).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Ralph L. Pfau, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey;

John H. Graham, and sundry other persons, to be chief warrant officers in the United States Coast Guard.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Thirty-five postmasters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 2174. A bill to provide for the creation of an 11th judicial circuit to be comprised of Alaska, Idaho, Montana, Oregon, and Washington, and for the circuit judges constituting the 9th and 11th circuits; to the Committee on the Judiciary.

By Mr. WELKER:

S. 2175. A bill for the relief of certain alien sheepherders; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 2176. A bill to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress; and

S. 2177. A bill to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WILEY:

S. 2178. A bill to authorize the Administrator of Veterans' Affairs to convey certain land to the city of Milwaukee, Wis.; to the Committee on Finance.

By Mr. IVES:

S. 2179. A bill to incorporate the National Academy of Design; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2180. A bill for the relief of Mrs. Rosa Georges Yacoub (Jacob); and

S. 2181. A bill for the relief of Gulwant Kaur and her two children, Pargan Singh Kaur and Gurdev Kaur; to the Committee on the Judiciary.

By Mr. NEELY:

S. 2182. A bill for the relief of the city of Elkins, W. Va.; to the Committee on the Judiciary.

ADDITIONAL FUNDS FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS—REFERENCE OF RESOLUTION TO COMMITTEE ON RULES AND ADMINISTRATION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the resolution (S. Res. 106) to provide additional funds for the Committee on Interior and Insular Affairs be taken from the calendar and referred to the Committee on Rules and Administration.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR THE PRINTING OF A STUDY ON THE ESSENTIALITY OF AMERICAN HOROLOGICAL INDUSTRY (S. DOC. NO. 49)

Mr. DUFF. Mr. President, I ask unanimous consent to have printed as a Senate document the staff study of Preparedness Subcommittee No. 6 of the Senate Armed Services Committee of the 83d Congress on the essentiality of the American horological industry.

This study reflects the work of the staff done preliminarily to the formulation of the report of the subcommittee published as a committee print and entitled "Essentiality of the American Watch and Clock Industry—Report of Preparedness Subcommittee No. 6 of the Committee on Armed Services, United States Senate, Under Authority of Senate Resolution 86, 83d Congress."

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 8, 1955, he presented to the President of the United States the enrolled bill (S. 2061) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. HRUSKA:

Address delivered by him at the Masaryk memorial dedication at Chicago, Ill., on May 29, 1955.

By Mr. DUFF:

Address entitled "Sweden and America," delivered by Senator MAGNUSON on the 300th anniversary of the founding of the Lutheran Mission in Pennsylvania.

By Mr. BUTLER:

Statement prepared by him outlining his views on current appropriations for various maritime activities of the Federal Government.

By Mr. LEHMAN:

Statement made by him on June 8, 1955, before the Senate Subcommittee on Refugees, Escapees, and Expellees.

By Mr. NEELY:

Article entitled "Ike's Endless Buck-Passing Denounced by Schnitzler," published in Labor's Daily of May 26, 1955.

THE SALK ANTIPOLIOMYELITIS VACCINE—REMARKS OF MRS. OVETA CULP HOBBY AND DR. LEONARD A. SCHEELE

Mr. DANIEL. Mr. President, last evening the Secretary of Health, Education, and Welfare, Mrs. Oveta Culp Hobby, and Dr. Leonard A. Scheele, Surgeon General of the United States Public Health Service, made to the American people most informative and enlightening remarks on one of the most important subjects before the Nation today, namely, the Salk antipolio vaccine. I ask unanimous consent that the remarks of Mrs. Hobby and Dr. Scheele be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY OVETA CULP HOBBY, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, AND DR. LEONARD A. SCHEELE, SURGEON GENERAL, UNITED STATES PUBLIC HEALTH SERVICE

Mrs. HOBBY. Good evening, ladies and gentlemen, poliomyelitis and the safety of the Salk antipolio vaccine are vitally important to all of us. Scientific processes are often difficult for us as laymen to understand. Yet it is important that we understand the results of scientific findings so that we can be intelligent in making decisions about our own children.

The Public Health Service of the United States, whose duty it is to protect the health of the Nation, is a corps of physicians, scientists, and other professional health workers. It has served us with integrity since 1798.

I have asked the Surgeon General of the Public Health Service to talk to you tonight about vaccines and the Salk vaccine in particular. He has served as an officer in the Service since 1930—and has served as your Surgeon General since 1948.

It is my privilege to present a distinguished public servant, Dr. Leonard A. Scheele.

Dr. SCHEELE. Thank you, Mrs. Hobby.

Many questions have been raised in recent weeks about the new vaccine against poliomyelitis.

People are asking: Is it absolutely safe? Does it really protect against polio? Will there be enough vaccine for large-scale use this summer?

I will give you the facts about the vaccine as I know them, and I want to give you some idea of the outlook for the future.

First, something about the disease itself. Polio occurs everywhere—in this country and throughout the world. It is caused by a virus so small that its presence cannot be known except by its effect on living animals or on cells in tissue culture.

Nearly everyone is in repeated contact with the virus and is infected by it at some time in his life. The disease is generally very mild and goes unnoticed.

In cases that come to the attention of physicians, there is fever, sometimes a sore throat. Sometimes the muscles ache, but recovery is usually prompt. However, in about 1 percent or less of these cases the virus invades the spinal cord or the brain and causes muscle weakness or paralysis.

Polio brings many personal tragedies each year. It is a national health problem.

But we should recognize that more children die each year from pneumonia, cancer, and heart disease, for instance, than from polio. Even without immunization, during an average year the chance that any individual of any age will get paralytic poliomyelitis is 1 in 7,500. One in 32,000 will suffer permanent crippling—and, the chances are, only 1 in 68,000 will die from polio.

So far this year throughout the Nation in the age group from 1 to 19, there have been 1.3 cases of paralytic polio among each hundred thousand. Last year for the same period the rate was 1.4. The comparable 5-year average was 1.1.

While it is much too early to make any predictions, there is no reason to believe that incidence of polio this year will be greater than the 5-year average. Experience indicates, however, that there will be scattered local epidemics, and some may be severe.

Let me tell you in a few words about the development of the polio vaccine.

Dr. Jonas Salk had the knowledge, intuition, and tenacity to create a poliomyelitis vaccine out of the sum of available scientific knowledge in virology and immunology. The National Foundation for Infantile Paralysis, through public contributions, supported the development and application of Dr. Salk's vaccine. It was carried through the experimental stage, tested on a large scale last year, and launched this year as a major nationwide immunization program under foundation leadership.

Now, I want to explain how a vaccine works—and how it is made.

To acquire immunity against contagious disease, our bodies must create defenses against the bacteria or viruses which cause these diseases. These defenses are called antibodies.

Antibodies of various kinds are always present in the system. Whenever the organisms of disease invade the body, the system becomes a battleground between the forces of health and disease.

Vaccines are the product of infectious agents. A vaccine stimulates the body to produce its own antibodies. These antibodies then can help prevent disease.

That is how a vaccine against poliomyelitis works. Now let me tell you how it is made.

First, polio virus is grown on tissue from monkey kidneys. Since there are three important types of polio virus, each type must be grown separately.

Second, virus of each type is inactivated separately by treatment with formaldehyde over a period of days.

Third, the three inactivated virus types are mixed.

Finally, the mixture is bottled for distribution.

Now this is what we mean by "inactivation" of the polio virus. At the beginning, there might be as many as 4 million live virus particles in a teaspoon of the substance. At the lowest point that virus concentration can be measured, there might be only one virus particle in a quart of material. But, in practice, the manufacturers don't stop there. The inactivation process is continued beyond this point.

You may wonder why the manufacturers cannot treat this vaccine fluid indefinitely with formaldehyde for added safety. This is not possible because the vaccine loses some of its power to give immunity if it is treated too long. A good vaccine must be made both as effective and as safe as possible.

The basic theory has been that during the period of treatment with formaldehyde, the course of inactivation followed a straight line down. With continuing treatment, it is calculated there should be perhaps as little as one live virus in a million tons of vaccine fluid. Actual experience in large-scale manufacture has demonstrated that—whether for theoretical or practical reasons—the course of inactivation does not necessarily follow a straight line. Instead, it often tends to form a curve. This means that we cannot be sure that there had been adequate inactivation by getting a negative test at a single point. We have learned that it is necessary to have 2 consecutive negative tests 3 days apart.

From experience accumulated since April 12, we learned that it was possible to build into the large-scale manufacturing and testing process the added safeguards. Our policy has been safety, not speed, except as the latter is compatible with safety.

There are three key points for safety testing during this process.

The first is during the period of inactivation. Two consecutive tests in tissue culture, 3 days apart, must show no active virus before the 3 types are mixed.

The second test is done after the mixture. This test must show no live virus—not only in tissue culture, but also in monkeys.

The third is a test made on samples of the vaccine after it has been bottled and before distribution.

I want to make it clear that there is always the possibility of very minute amounts of active virus in the vaccine. However, these amounts of active virus have been reduced as low as science can reduce them without destroying the effectiveness of the vaccine. The possible presence of very small amounts of active virus is true of all vaccines made—as this polio vaccine is made—from active virus. We have successfully used vaccines made from live organisms for as long as 50 years, because medical science knows that they convey a great benefit to mankind.

It took time to work out the extremely technical details of these additional safeguards with scientists and manufacturers. The new standards require some changes in production and testing processes by the manufacturers. Making and testing vaccine is a difficult and delicate process. You cannot make viruses meet deadlines. You cannot force scientific work to meet dates on a calendar. And it must be kept in mind that the entire process of manufacturing a batch of vaccine takes about 90 days.

This is a reason why we can give you no precise estimates of how much vaccine will be available at any given time.

The manufacturers have assured me that they can and will produce vaccine under these requirements. But I want to make it clear that they will not be able to produce enough vaccine to immunize all children this summer.

The field trial of 1954 showed that though a child is vaccinated, there still will remain a chance that he will acquire paralytic poliomyelitis because the vaccine does not cause all children to develop immunity. This is true with respect to all immunization procedures. It is true because there is no such thing as a perfect vaccine—against poliomyelitis or any other disease. But—and this is the important point—the risk is much less than if the child were not vaccinated.

I've been presenting the national picture as I see it as Surgeon General of the Public Health Service.

By releasing more vaccine for use as I did yesterday, I have demonstrated our confidence in its safety and effectiveness.

But conditions vary widely in different sections of the country and at different times of the year. These general considerations must be applied by doctors in each community.

Each physician has his own training and experience. And — most important — he knows the individual needs of his patients at a particular time and in a particular community. The family doctor always has, in addition, access to the technical information from health officers and from medical organizations. It is the family physician, then, who can best help parents who have special questions and problems.

Decisions on polio vaccination, like many others concerning health that arise from time to time, are decisions that parents have to make with the advice of their physicians.

Mrs. HOBBY: Ladies and gentlemen, from Dr. Scheele's report to you, I know that you feel that the scientists, the Public Health Service, the doctors, and the manufacturers are working together to give our children a safe and effective vaccine.

To that end we shall all continue to work.

REGISTRATION OF CHARITY COLLECTIONS

Mr. WILEY. Mr. President, I send to the desk a brief statement on the subject of voluntary self-regulation and information on charity solicitation and an accompanying table.

I ask unanimous consent that they be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

ASSURING SOUND FRUITS FOR THE GENEROSITY OF THE AMERICAN PEOPLE

Not long ago, it was my pleasure to send a congratulatory message to the Milwaukee County Kiwanis Foundation on the occasion of its dedication of a new one-third-million-dollar cerebral palsy clinic.

This clinic—erected in cooperation with the famous United Cerebral Palsy Organization—is a tribute to the selfless generosity of innumerable citizens of the Greater Milwaukee area. It is symbolic of the great and warm philanthropic heart of the American people.

AMERICA'S GREAT SYSTEM OF CHARITIES

The system of private charities in our country—charities of our great religious faiths, charities of lay organizations—fraternal, civic, social, veterans, professional—charities combined into Community Chest drives and all others, represent one of the great and distinguishing hallmarks of this Republic.

The willingness—yes—the eagerness of the American people to fulfill their personal responsibilities, to prove that they are indeed their brother's keeper, is a heartwarming proof, if any proof be needed, of the heights to which a free system can inspire men in giving of themselves.

CHISELERS, PROMOTERS CREEP IN

Unfortunately, one aspect of this situation is that, as in every other worthwhile field of endeavor, there is a small minority of chiselers, of self-serving promoters, who creep in.

I am not simply referring to the out-and-out frauds, as detestable as they are.

They, of course, are just about the vilest of all parasites, for they swindle the American people, they rob Americans of the goodwill outpouring of their generous hearts. These out-and-out frauds, these fake charities which exist in name and letterhead only, must be curbed to the fullest extent of State and local law.

ENORMOUS OVERHEADS OF SOME GROUPS

But then there are the groups which do not openly violate the letter of the law. A small proportion of their collected funds are expended for the charitable purpose, but the pity and the tragedy of the situation is that an enormous overhead, a tremendous percentage for promoters' solicitation, is siphoned off.

With these facts in mind, one of the distinguished leaders of the Milwaukee County Kiwanis Foundation (a completely bona fide and voluntarily self-regulated group, I may

add) conveyed to me his earnest recommendation that consideration be given to ways and means of preventing the abuse of charity solicitations.

I, for one, certainly feel that every bona fide charity, or, for that matter, any other public-service enterprise, should be ready, willing, and eager to present a complete financial account of its entire bookkeeping system. Every bona fide group should be ready, willing, and eager to put a voluntary and strict limitation on the amount of funds which can be deducted for overhead purposes. Most of the major charitable groups with which I am familiar do definitely observe these safeguards already. I congratulate them for it.

I, for one, would very definitely like to see their example expanded upon. I would like to see all such groups—soliciting in interstate channels—come forward openly and demonstrate anew to the American people the absolute worthwhileness of sound charitable contributions. I emphasize, I am not speaking of mandatory registration, but only of voluntary action in the public interest—so as to sustain complete public confidence.

I hope that the Department of Health, Education, and Welfare will give its encouragement to this voluntary objective. That Department has of course no statutory authority for this specific purpose. Yet, within the broad framework of its overall humanitarian objectives, it is well entitled to help voluntarily in this effort.

GREATER NEED FOR CHARITY TODAY

Certainly, in our country, there is a greater need today than ever before for private philanthropic contributions.

Money is needed for hospitals, for outpatient medical care, for old-age homes, for orphans, for schools, for colleges, for battling diseases, for helping the underprivileged, and for a thousand and one sundry purposes, which government cannot hope completely to perform, and which government should leave, in certain measure, to private individuals to perform.

America is more prosperous today than ever before, and it is also more civic-conscious and socially minded than ever before. We are no longer content to witness snails' progress in battling arthritis or multiple sclerosis or muscular dystrophy or blindness; we will not ignore the plight of foundlings nor the problem of juvenile delinquency. We want to see these problems met and met efficiently.

Yet, inflation has cut seriously into the ability of America's charitable organizations to meet their existing, much less their future, workloads.

CHURCHES ENTITLED TO SUPPORT

The churches of America—the three great religious faiths—are particularly hard-pressed. They are certainly entitled to continued enthusiastic support by their members in both their direct religious and in their charitable phases. The churches have always faithfully fulfilled their responsibilities to God and country.

Not a single dime which might go to them should be misdirected to an extravagant charity or, what is worse, to an outright fraud.

In the District of Columbia area alone, the Evening Star recently estimated that $300,000–$500,000 each year may go down the drain through the bogus appeals of phony charities.

And so, under these circumstances, it is important that every single penny—every single dollar—which is raised for a noble cause, in the tradition of a Good Samaritan, be expended precisely for that cause and for none other, and that the swindler, the chiseler, the self-serving promoter, who would otherwise cash in on America's charitable instinct, be eliminated to the greatest possible extent.

In the meantime, I wish Godspeed to such noble groups as the Community Chests, as well as specific charities like the Arthritis and Rheumatism Foundation, United Cerebral Palsy, and others.

I wish continued success to the law enforcement authorities at State and local levels in combatting frauds. I commend the outstanding work of better business bureaus in this protective function as well.

LIST OF DISTRICT OF COLUMBIA CHARITIES DRIVES

Finally, as an illustration of the considerable and diverse scope of local United States charities, I append a table from the April 24 Evening Star which listed the bonafide charities in the District of Columbia—charities contributing indispensably to the well-being of the Greater Washington area.

I reiterate that my own basic comments are of course directed to charities soliciting in interstate commerce, since that is the only legal basis for Federal interest, as such.

MAJOR FUND CAMPAIGNS IN AREA ARE TABULATED

Major fund drives for health, education, welfare, and recreation in this area

	Raised 1954	Goal 1955
American Cancer Society, District of Columbia	$279,025	$279,000
Arlington County	28,681	30,000
Fairfax County	16,000	20,000
Montgomery County	19,600	20,000
Prince Georges County	9,821	10,000
Alexandria Cancer Information Center	14,689	15,000
American Red Cross	1,418,000	1,424,000
American Veterans of World War II	500	500
Arlington Association for Retarded Children	264	15,000
Arlington Hospital	84,000	32,000
Arthritis and Rheumatism Foundation	64,000	103,000
Baker's Dozen—Youth Center	6,000	30,000
Big Brothers of District of Columbia	1,000	20,000
Boys' Club, Metropolitan Police	350,000	350,000
Central Union Mission	42,246	[1] 42,246
Children's Hospital	40,000	40,000
Columbia Lighthouse for the Blind	90,249	[1] 90,249
Columbia Hospital for Women	90,000	260,000
Community Chest Federation	3,809,000	[1] 3,809,000
Additional appeals by chest agencies:		
Boy Scouts	100,712	122,000
Salvation Army, District of Columbia	77,146	85,000
Alexandria	9,000	9,000
Arlington	20,000	13,500
Urban League	5,000	8,000
YWCA, District of Columbia	----------	148,000
District of Columbia Society for Crippled Children	162,000	210,000
Federal Association for Epilepsy	----------	[2] 50,000
Garfield Hospital Nursing School	----------	30,000
German Orphan Home	2,600	----------
Goodwill Industries	126,000	100,000
Gospel Mission	4,000	[1] 4,000
Hebrew Academy of Washington	65,000	80,000
House of Mercy	10,000	10,000
Junior Chamber of Commerce Charities	4,829	4,800
Junior Police and Citizens' Corps	9,000	15,000
Mary L. Meriweather Home for Children	----------	1,840
Muscular Dystrophy Association of America	110,000	65,000
National Association for Advancement of Colored People	14,000	25,000
National Foundation for Infantile Paralysis, District of Columbia	319,524	246,000
Alexandria	27,000	25,600
Arlington County	70,000	75,500
Fairfax County	62,623	50,300
Montgomery County	93,849	86,200
Prince Georges County	60,006	60,000
National Conference of Christians and Jews	33,000	35,000

[1] 1955 goal not set, 1954 figure used.
[2] Sum to be raised by a telethon; national goal is $1 million.

Major fund drives for health, education, welfare, and recreation in this area—Con.

	Raised 1954	Goal 1955
National Multiple Sclerosis Society	19,930	40,000
National Welfare League, Inc.	64,000	[1] 64,000
Planned Parenthood Association, District of Columbia	21,031	22,000
Planned Parenthood League, Montgomery County	3,700	[2] 5,500
Providence Hospital	100,000	----------
St. John's College High School	----------	250,000
Seventh-Day Adventist Ingathering	93,000	108,663
Stony Ridge Country Day School of the Sacred Heart	----------	$300,000
Suburban Hospital, Montgomery County	$55,000	600,000
Tuberculosis Association, District of Columbia	152,000	152,250
Alexandria	22,100	21,660
Fairfax County	33,163	35,000
Prince Georges County	30,000	32,000
Arlington Tuberculosis and Health Association	52,800	52,900
Montgomery County Tuberculosis and Heart Association, tuberculosis collections	75,300	78,000
United Cerebral Palsy of Washington	11,000	150,000
United Jewish Appeal	1,267,000	1,800,000
United Negro College Fund	30,000	30,000
Veterans of Foreign Wars	7,055	12,750
Volunteers of America	29,792	30,000
Washington Committee for Education on Alcoholism	1,896	[1] 1,896
Washington Federation of Churches	80,000	90,000
Washington Heart Association	120,000	165,000
Northern Virginia Heart Association	11,500	29,778
Montgomery County Tuberculosis and Heart Association heart fund collection	----------	20,500
Prince Georges County Heart Association	----------	7,335
Washington Home for Foundlings	17,000	----------
Washington Home for Incurables	7,100	7,100
Washington Housing Association	18,472	[1] 18,472
Washington Humane Society	1,100	1,100
Grand total	10,590,450	12,870,786
MISCELLANEOUS APPEALS		
Board of trade, economic development program	80,000	80,000
Greater National Capital Committee	140,000	150,000
Crusade for Freedom	39,000	45,000
National Symphony Orchestra	230,000	300,000
Washington Home Rule Committee	16,318	[1] 16,318
National Wildlife Federation, seal sales	3,829	[1] 3,829
Total	509,147	595,147
Grand total	10,590,450	12,855,786

[1] 1955 goal not set, 1954 figure used.
[2] Also gets funds from Thrift Shop in Bethesda and obtains some funds from fees.

NOTE.—These figures were obtained in response to inquiries for the amounts obtained and to be obtained through public appeals for contributions. In many cases the organizations must obtain additional funds from their own members, from sales or other fund-raising devices.

APPROPRIATIONS TO COMBAT TUBERCULOSIS

Mr. WILEY. Mr. President, I have received an urgent message from the Wisconsin Anti-Tuberculosis Association, a grassroots organization which has done invaluable work in my State, along with its associated groups throughout the Nation, in combatting tuberculosis.

The association recommended a change in the appropriation for the coming fiscal year in the tuberculosis program, as against the version recommended by the Senate Appropriations Committee.

I ask unanimous consent that the text of the association's telegram be printed at this point in the body of the RECORD.

I may say that I have received similar messages, including a telegram from Dr. John D. Steele, of Milwaukee, Wis., along this same important line. I earnestly hope that the association's position will be sustained by the Senate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., *June 7, 1955.*
Senator ALEXANDER P. WILEY,
Senate Office Building,
Washington, D. C.:

We believe Senate Appropriations Committee erred in reducing $1,500,000 grant for direct operations tuberculosis program, Public Health Service, to $1 million. Reduction hurts vitally important research and limits necessary consultation services to States. We urge holding this appropriation at $1,500,000 and grants to States at $4,500,000.

WISCONSIN ANTI-TUBERCULOSIS ASSOCIATION.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

SUSPENSION OF CERTAIN IMPORT TAXES ON COPPER

The Senate resumed the consideration of the bill (H. R. 5695) to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

Mr. MALONE obtained the floor.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Nevada desire that there be a quorum call?

Mr. MALONE. I suggest that there be a quorum call.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MALONE. Mr. President, I yield myself 40 minutes.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator from Nevada is recognized for 40 minutes.

COPPER—PRINCIPLE OF FREE TRADE VERSUS FAIR AND REASONABLE COMPETITION — PROTECT AMERICAN WORKINGMEN AND INVESTORS—EQUAL ACCESS TO THEIR OWN AMERICAN MARKETS

Mr. MALONE. Mr. President, the extension of this act is a national policy effectively preventing any privately financed American groups or interests from entering the domestic copper mining field without Government financing, guaranteed unit price, or short amortization periods, or all three.

The reason why private capital cannot enter this field in the United States without a definite principle of protection established by Congress is that lower cost production from Africa and South America can effectively undersell any copper produced on the American wage standard-of-living level.

"ONE WORLDERS" DEPRIVE UNITED STATES WORKERS OF LAST PROTECTION

The "one economic worlders" have made more progress during 1955 than ever before in our history. They have succeeded in removing the last vestige of protection for the American workingmen and investors from the foreign low-wage standard-of-living workers.

The 84th Congress is continuing the open door to American markets for the low-wage standard-of-living nations of the world through the 3-year extension of the 1934 Trade Agreements Act.

CONGRESS' CONSTITUTIONAL RESPONSIBILITY TO THE PRESIDENT

It has put the stamp of approval on the 1934 Trade Agreements Act, a transfer of the last important function of the legislative branch of our Government to the executive branch—that of the regulation of foreign trade and our domestic economy—and the approval of trade treaties by a two-thirds vote of the Senate of the United States.

It comes now with H. R. 5695, a bill already passed by the House, extending for 3 years the free trade on copper.

TWO WAYS TO REVIVE UNITED STATES COPPER EXPLORATION OUTLINED

There are two ways by which prospecting and exploration for copper in this Nation may be resumed:

First. A flexible duty or tariff adjusted on the basis of fair and reasonable competition—not a high or low tariff, but the difference between the effective wages, taxes, and the general cost of doing business here and the wages, taxes, and cost of doing business in the chief competitive country, in the case of each product. That difference should represent the duty. Such duty gives to workingmen and investors equal access to their own markets.

Second. A Government guaranty, over a period of years, of a substantial unit price over a period of years sufficient to amortize the investment of the Federal loans or grants, or both. In this connection, the San Manuel copper property, in Arizona, received a $94 million-loan and guaranteed unit price per pound for its production.

Mr. President, Congress has adjusted neither in principle, but has continually nibbled at both, so that the procedure is neither fish nor fowl. The existing duties or tariffs, after 22 years, are well below the differential of cost production between this country and the chief competitive nation, on each product, and have followed a haphazard and sharpshooting method of Government financing, through guaranteed unit prices and short amortization periods, in addition to the loans or grants of substantial amounts of capital.

THIS NATION COULD BE SELF-SUFFICIENT

If the present 36 cents a pound price could be established by the Government over a 20-year period, with an esculator clause for inflation, then well within a 10-year period we would be producing all the copper this country could possibly consume.

The same result could be brought about by the defeat of this proposal to extend the suspension of the duty on copper, as provided by H. R. 5695, and by the President canceling the trade agreement on copper which cut the duty from 4 cents a pound to 2 cents a pound, and referring the matter to the Tariff Commission, the rate to be fixed by it on the basis of fair and reasonable competition, making it flexible so that when the living standard of the competitive nation went up the duty or tariff would go down; and so that when their living standard approached ours, free trade would be the automatic and immediate result.

PRESENT NATIONAL POLICY PREVENTS FAIR AND REASONABLE COMPETITION

Our present annual consumption is approximately 1,500,000 tons. We might easily require 2 million tons per annum within 20 years or less.

The same general result could well be obtained by Congress reestablishing the principle of a flexible duty or tariff to be continually adjusted by the Tariff Commission, an agent of Congress, on the basis of fair and reasonable competition.

The extension of this act is a part of a national policy which effectively prevents fair and reasonable competition.

PRESENT POLICY BARRIER TO PRIVATE INVESTMENT

The principle of fair and reasonable competition, that is the adjustment of duties or tariffs to make up the differential in costs, is the only principle that will bring private money into the business. Properly executed by the Tariff Commission, the principle guarantees equal access to American markets for American workingmen and investors.

NO HIGH OR LOW DUTY OR TARIFF

No high or low tariff is included in the principle of adjusting the flexible duty on the basis of fair and reasonable competition. The duty represents the cost differential, determined by the effective wage standard of living, taxes, and other business expenses in this country, as compared to those in the chief competitive nation with respect to each product.

Executive order control has been substituted for this principle. Without such a principle, and with our market control subject to Executive orders and multilateral trade treaties under the Geneva General Agreement on Tariffs and Trade, the opportunities for graft, corruption, and special influence through control of imports is unlimited.

NATIONAL SECURITY LINKED WITH DEFENSE OF WESTERN HEMISPHERE

The chief overriding interest of the 21 Western Hemisphere nations is defense of the Western Hemisphere. Each of these nations should manage its own economy, dealing with one another as the best economic interests of each country dictates.

Our future is irrevocably linked with that of the Western Hemisphere. Our trade future is in South America. It is not in old Europe. Among the 21 sovereign nations of the Western Hemisphere, each is, and should be, truly sovereign.

We should not try to push them around, and they should not try to direct our actions, for each is equal in its own sovereignty.

CHILEAN LEADERS LAUDED

I have traveled the length and breadth of South America, visiting every nation in that great area, and have met most of their statesmen and leaders. I have enjoyed the hospitality of Chile, the principal copper-producing country of South America, and admire its statesmen and leaders.

The President of Chile, Carlos Ibanez, is a fine, capable man. He has the best interests of his country at heart, and is making notable progress toward establishing a favorable investment climate.

UNITED STATES COPPER COMPANIES OPERATING IN CHILE EFFICIENT

The two copper companies doing business in Chile and in the United States are efficient and well managed, and the executives of both companies have the best interests of their companies at heart, and serve those interests well. Both have large, successful production enterprises in my State.

The principle of fair and reasonable competition for trade between countries is for their own protection, and for the protection of the companies or individuals involved, since South Africa can undersell producers in both North and South America, thus threatening not only the investments and workingmen in both areas, but the defense of the hemisphere.

A duty of 2 cents a pound, which would be the existing duty were it not for the extension of the suspension of the duty, would be at best only a slight token. There is before the Senate today a proposal to extend the suspension of the duty of 2 cents a pound.

EQUALIZE DIFFERENCE ON WAGE—STANDARDS OF LIVING

The difference in production costs should be the guiding principle of fair and reasonable competition. Even the original duty of 4 cents a pound might or might not be sufficient to equalize the cost of production. The flexibility of the tariff, or the excise tax, adjusted on the basis of fair and reasonable competition, would have not the slightest effect on the imports of copper into this country when needed, but would guarantee to American workingmen and investors equal access to their own markets.

H. R. 5695 A TROJAN-HORSE BILL

Mr. President, H. R. 5695 is a free-trade Trojan-horse[1] bill. It is a bill to continue total free trade on foreign copper at the expense of American miners, potential producers, and taxpayers. What makes it a Trojan-horse bill is that it is the freetrader's approach to scuttling permanently all tariffs and protection for American private enterprise. Destroying even the small existing protection for copper is only a step toward following the Geneva General Agreement on Tariffs and Trade with respect to other metals and products of which America produces a substantial amount, thus stifling all incentive for new private capital in financing, prospecting, and exploration for new production in this Nation, and turning the market over to foreigners and importers.

"ONE-WORLDERS" GOAL IS TOTAL FREE TRADE

The ultimate goal is all-out free trade without regard to the difference in the wage standard of living, sacrificing American investment and workingmen to foreign interests. This bill, of course, goes far beyond the 1934 Trade Agreements Extension Act which the House and Senate recently passed at the request of the administration. The Extension Act permits the President—actually the State Department—to cut duties of tariffs another 15 percent over a 3-year period.

ENACTMENT OF H. R. 5695 BRANDS 84TH A FREE-TRADE CONGRESS

The pending bill would wipe out tariffs on copper entirely for another 3-year period, setting the precedent for all American products. The Congress, if it passes the bill, must assume total responsibility. Enactment of the bill would brand the 84th Congress a free-trade Congress, going even beyond the Geneva General Agreements on Tariffs and Trade, and beyond the free trade advocacy of the administration.

DIFFERENCE IN THE PRINCIPLE

The difference is that of principle. In adjusting flexible duties on the basis of fair and reasonable competion we hold our wage standard of living while assisting foreign nations to raise their own. But under the free-trade principle as operated by the Geneva General Agreement on Tariffs and Trade under the authority granted the President by the 1934 Trade Agreements Act, our standard of living can be brought down to the world standard.

Free trade in copper has been a continuing policy of the Congress since 1947.

In 1932 the Congress fixed a duty or excise tax on copper of 4 cents per pound. With copper selling for 6 cents a pound it meant an ad valorem tax of 66 percent. The State Department reduced that duty to 2 cents a pound through GATT, the 34-nation Geneva agency aimed at American markets and producers.

With copper at the present price of 36 cents a pound, the duty would now amount to 5½ percent ad valorem had it not been suspended.

All duty on copper was suspended in 1947 for 2 years, the same year the Geneva agreement was adopted. In 1949 it was suspended for 1 year and periodic suspensions have continued. This bill proposes a further suspension to June 30, 1958.

EARLY WARNING GIVEN ON HARMFUL EFFECTS OF TARIFF SUSPENSION

When the initial suspension bill was under consideration in 1947, Mr. President, the then chairman of the Senate Finance Committee [Mr. MILLIKIN] asked a pertinent question. He asked it of an important witness, Mr. John A. Church, a consulting mining engineer.

Said the chairman:

If the domestic industry got the notion that the proposed extension was merely a Trojan horse to a permanent extension, what effect would that have on exploration?

Mr. CHURCH. I am afraid a very bad effect, Mr. Chairman.

TEMPORARY "EMERGENCIES" USED TO PUT OVER COSTLY PERMANENT LEGISLATION

Mr. President, the supposed temporary legislation to continue for only 2 years was, of course, a Trojan horse to permanent free trade.

In that respect it is like the 1934 Trade Agreements Act, which was said at that time to be a temporary emergency measure, but which has continued for 21 years, and, because of recent congressional action, is to continue for another 3 years.

Free traders will continue to make it permanent by periodic extensions until the American people wake up to what it is costing them in taxes, jobs, and investments.

FOUR-YEAR FOREIGN-AID HOAX RUSE FOR PERMANENT GIVEAWAY POLICY

The foreign-aid program is a fine example. It was to continue for 4 years only and then terminate, and was to cost not more than $17 billion, but which has now cost more than $50 billion, and is recommended by many prominent Government officials and by all "one-economic-one-worlders" as a permanent policy.

Foreign aid has continued now under one guise or another ever since the end of World War II; has cost the American taxpayers more than $50 billion; and, if Mr. Harold Stassen, the administration's Santa Claus to foreign nations, has his way, will go on forever.

PRO-FOREIGN-GIVEAWAY PROGRAMS ALL FOLLOW SAME PROPAGANDA PATTERN

All these have been Trojan-horse measures, Mr. President; all have been put over on the American people by the same trick—propagandizing the American people and the Congress that they are designed to meet some emergency or crisis and are only temporary.

When the time comes for them to expire, a new crisis or emergency is invented, new fears or new blackmail threats from foreign countries are created, and the measures are continued.

So, to all purpose and effect, these Trojan-horse measures are all permanent, and will remain permanent until the Congress comes to its senses and begins putting American interests above foreign interests.

That is what the Congress has not to date been disposed to do. All of the 1-year, 2-year, or 3-year Trojan horses have been taken to its bosom, welcomed into our national life and policy, and made a permanent part of our foreign policy. We constantly hear the remark made, "Well, we have been doing this for years; we have been extending the suspension on duties on copper for years. Thererfore, we should continue it.

FOREIGN-TRADE-AID POLICY BASED ON FOREIGN IDEOLOGIES

All of the Trojan horses are alike, too, Mr. President; all of them were conceived and built on foreign ideologies. Free trade, share the wealth, colonial integrity, and international socialism—all are foreign concepts.

All are aimed at reducing America's prosperity and wealth to a world level, lowering American wages to the world

[1] In Greek mythology the hollow figure of a horse, in which a number of Greek warriors were hidden, introduced within the walls of Troy by a stratagem.

wage rate, and lowering American production to a point where we will become dependent on foreign cartels and foreign slave-wage products for our existence.

UNITED STATES RICH IN COPPER BUT FOREIGN METAL POURS IN

Copper is only one example of the efforts to put foreign interests above American interests, Mr. President, but it is a very significant example.

The United States is rich in copper.

Charles H. Johnson, Chief of the Base Metals Branch, Bureau of Mines, testified before the Minerals, Materials, and Fuels Economic Subcommittee of the Senate Committee on Interior and Insular Affairs last year:

United States known reserves are estimated as about 25 million tons, or 27 times the 1952 production: New discoveries and new technology are expected to add many millions of tons of copper to these reserves in coming years.

That statement is true, of course, only if America's copper industry is permitted to survive.

MINORITY REPORT ON H. R. 5695 CITED

As I pointed out in my minority views on the pending bill, H. R. 5695, and as I have pointed out in my minority views on previous extension bills, free trade in copper has removed the incentive for finding new deposits through prospecting and exploration.

When a 4-cent-a-pound duty on copper existed, it pointed the way to more prospecting and exploration for the red metal and to new capital investments in the copper-mining field. That era has now ended, and there will be no change for the better if this pending free-trade Trojan horse bill is passed.

We also have a world of copper in South America. If any imports of copper are needed at all until we bring in new copper mining areas of our own, we should obtain it from our good neighbors to the south. We do obtain much of our foreign copper from South America—areas we could defend in time of war.

COPPER IMPORTED FROM AFRICA, ASIA—AREAS WE COULD NOT DEFEND IN WAR

But we also are importing copper from Africa, Asia, Australia, and Europe, particularly from Rhodesia in South Africa, where the cost of producing copper, according to testimony that has been presented in hearings, is 9 cents a pound, or only one-fourth of price today in the world market.

A 2-cent-per-pound import fee on copper would still give the Rhodesians and the importers a 25-cent per pound profit margin, which I am sure any producer would consider very substantial.

H. R. 5695 GRANTS FOREIGN PRODUCERS, IMPORTERS TREMENDOUS WINDFALL

The pending bill, therefore, is a bonus bill for foreign producers and importers. It is a windfall bill.

On May 27, the distinguished Senator from Delaware [Mr. WILLIAMS] discussed a windfall profit of $400,000 which he said had been given to 3 copper companies by our Government. It was a very informative and excellent presentation.

The windfall which he estimated has been received by these companies as a result of Government manipulation amounted to $400,000.

Four hundred thousand dollars is a significant amount of money, Mr. President, but it is an infinitesimal amount compared by the windfall that has been given to foreign producers and importers.

ONE HUNDRED SIXTY-FOUR MILLION, TWO HUNDRED THOUSAND DOLLARS WINDFALL TO FOREIGN COPPER BORNE BY UNITED STATES TAXPAYERS

By virtue of the 2 cents per pound tariff suspension on copper which we are asked to extend today, our Government has given producers of foreign copper since 1947 a windfall of millions of dollars and sets the stage for a monopoly production since the price per pound can be manipulated to prevent competition.

Imports of copper for consumption in 1947 amounted to 453,000 short tons. A short ton is 2,000 pounds. Imports for the 7 years since then have averaged slightly over 586,000 tons, for a total of 4,105,000 tons or 8,210,000,000 pounds. With the 2-cents per pound tariff taken off by Congress, Congress has thus given these foreign producers and importers a windfall of $164,200,000 in 7 years, or an average windfall of $23,457,000 per year. But the most dangerous result of this manipulated policy is that independent private investments are prevented. American jobs are controlled—and South African competition could later force out Western Hemisphere production and make us dependent upon areas not available in time of war.

TARIFF LOSSES ADD TO UNITED STATES TAXPAYERS' HEAVY BURDEN

The American taxpayers, Mr. President, get no windfalls.

It must be remembered that the duty or tariff also brings in revenue for our institutions which foreign areas would otherwise not pay, and assists our harried taxpayers.

CONSTITUTION GAVE CONGRESS FULL TAXING POWER

A tariff is a tax on imports. That is what it is. When the Constitution in article I, section 8, gave Congress power over taxes, it gave them power over imposts and duties, meaning tariffs. The tariff power was a revenue power, and an economic power, vested solely in the Congress, as the representatives of the people.

Tariff taxes through many years supplied a substantial part of the revenues on which we operated our Government. Tariffs were also used, with the approval of our first President, George Washington, to encourage American production. Congress has now turned to encouraging foreign production at the expense of our workingmen and investors.

EXECUTIVE BRANCH NOW SETS TAX RATES WITH HELP OF PLIANT CONGRESS

The income tax turned on the faucet for successive administrations to tap the American people for whatever taxes they could induce a pliant Congress to impose.

The first income tax was very low. That was another Trojan horse piece of legislation.

Most Americans were exempted from any tax at all and the few who did have to pay an income tax paid only small rates.

TAXES ON FOREIGN IMPORTS CUT 75 PERCENT WHILE TAXES ON UNITED STATES CITIZENS MOUNT

Since then successive Congresses, with 1 or 2 exceptions, have increased income-tax rates, or continued wartime rates during peacetime.

The American people have had to pay out more and more to support the Government, and have had to pay it out of their resources, investments, earnings, and incomes.

But during the same years that American citizens have had to pay more and more in taxes, foreigners have had to pay less and less.

In 1934 the Congress authorized the President to reduce taxes on imports by 50 percent. This was a tax boon for foreign producers and importers, a special-privilege segment if there ever was one.

In 1947 the President was empowered by Congress to reduce the tax on foreign producers 50 percent more, or half of the remaining tax. In other words, the Congress cut taxes on foreigners 75 percent while taxes on American citizens have been constantly increased.

PRESENT CONGRESS AUTHORIZED FURTHER 15-PERCENT TAX CUT ON IMPORTS FROM FOREIGN COUNTRIES

Recently the Congress passed legislation to permit the President to make a further 15-percent tax cut to foreigners over a period of 3 years.

The same administration that wanted a 15-percent tax cut for foreign producers and foreign investors, has opposed any tax cut in this Congress for Americans, and the Congress has concurred in the administration's wishes.

H. R. 5695 MORE THAN TAX CUT—IS TAX ELIMINATION ON FOREIGN COPPER

The pending bill is more than a tax cut. It is a tax elimination on all imports of copper.

The bill follows the principle of the past three administrations—tax cuts for foreigners or producers of foreign goods in foreign countries, high taxes for Americans.

There has been only one slight tax cut for Americans since the Korean war, and that one was voted during the Korean war. Foreigners are to receive a 15-percent tax cut on the goods they ship to the United States. Foreign producers, in addition to tax cuts, also have received more than $50 billion in foreign aid to build up competition against American producers and are to get approximately three and a half billion more during the coming year.

SUBSIDIES FOR FOREIGNERS, HIGH TAXES FOR AMERICANS, ADMINISTRATION POLICY FOR 22 YEARS

There is already a backlog of $9 billion voted by Congress to subsidize foreign countries in this competition, in contrast to virtually no backlog to subsidize American producers.

Subsidies for foreigners and taxes for Americans seems to be the prevailing theory of the past 22 years.

Mr. President, in 1954, 604,000 tons of copper were imported into the United

States for consumption from Africa, Asia, and South America.

This is the equivalent of 1,208,000,000 pounds on which the 2 cents a pound tariff had been suspended by the Congress. This, of course, gave the foreign producers and importers a $24,160,000 windfall, a windfall which the pending bill would continue for 3 years at the same volume of imports.

AMERICAN PRODUCTION DROPS AS FREE-TRADE POLICY ON COPPER PREVAILS

Domestic production in 1954 declined in value $34,018,726 from the previous year. In other words, American production slips while foreign production gains under the policy this bill would continue. American producers of copper in America lost $34 million, while producers in foreign countries gained a windfall of $24 million. Copper values, I may add, shrank in 1954 in Arizona, California, Montana, New Mexico, Washington, and Utah.

Not only did producers of copper in America lose, but American workers lost, investors lost, communities lost, and States lost—while foreign labor, investors, producers, and governments gained.

Americans will continue to lose and foreigners to gain if this bill is enacted to give foreign producers and importers a 2-cents-a-pound bonus on every pound of copper they send to the United States.

Mr. President, it is time for the Congress to start thinking for America and about America.

AMERICA SUFFERS AS CONGRESS PREOCCUPIED WITH FOREIGN PROSPERITY AND WELFARE

During the entire 84th Congress we seem to have been preoccupied with foreign prosperity and foreign welfare to the disadvantage of American citizens and producers.

The foreign-aid bill was a 100-percent proforeign bill.

The trade-agreements extension bill was a proforeign bill.

The pending legislation is proforeign.

Other bills to come before us, the so-called customs-simplification bill, the deceptive legislation to authorize a new international trade organization under the guise of an international organization for trade cooperation, and the bill to cut income taxes on American investors abroad, are all bills favoring producers in foreign countries at the expense of America's labor, investors, and taxpayers.

They are all Trojan-horse bills.

H. R. 5695 CONTINUES PREFERENCES TO FOREIGNERS AT EXPENSE OF AMERICANS

The bill before us today is precisely in the same category. It grants preferences to foreigners at the cost of American production, American free enterprise, and American security.

Why should a foreign copper miner in Rhodesia be given concessions to market his slave-wage labor-produced copper in America, when all of us know that African copper would be cut off completely in time of war?

Mr. President, I have consistently fought this bonus windfall to foreign producers outside the Western Hemisphere.

1949 TESTIMONY OF SENATOR MALONE RECALLED

I was not a member of the Senate Committee on Finance in 1947 nor in 1949 at the time of the hearings. But was privileged to present testimony and a statement at the 1949 hearings.

At that time I said in part:

We have transferred the copper jobs from the independent copper mines of America to Chile, South America, and Africa. We all know with the $2 and $2.50 labor in Chile, they can produce copper much cheaper than we can here. They can add the freight to it and still the wages must be substantially lowered in this country to meet the low-wage living standard foreign competition.

What we do when we remove the import fee on copper or any other mineral, when we lower it on textiles, or precision instruments or any other industry, is to say to the workingmen of America that we are lowering the floor under wages.

Since that date the Chilean Congress at the behest of the president of that sovereign nation have moved toward an investment climate through a fairer exchange and other corrections.

In 1953, as a member of the Senate Committee on Finance, I again testified, and also submitted a statement.

STATE DEPARTMENT HELD RESPONSIBLE FOR DOMESTIC COPPER LAG

One of the proponents of free trade in copper had pleaded that the duty should be taken off because we were short of copper. I said:

The reason that we are now short of copper is because the irresponsible State Department, to which the constitutional responsibility of Congress to regulate foreign commerce has been transferred, lowered the tariff and made it impossible to get investment capital into the industry.

Congress has politely transferred its authority to the State Department to do this thing to all industry, not only to the mining industry but to the textile and other industries.

In my statement to the committee I covered in greater detail the situation confronting the mining and other industries of the United States.

I ask unanimous consent to have printed in the RECORD my statement of February 4, 1953, on the almost identical extension bill which was before the committee at that time proposing a continuance of free trade on copper imports.

SENATOR MALONE'S 1953 STATEMENT ON COPPER EXEMPTION REPRINTED

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. GEORGE W. MALONE, A UNITED STATES SENATOR FROM THE STATE OF NEVADA

Senator MALONE. Mr. Chairman, I want to say that in my opinion the Finance Committee of the United States Senate can and should be the safeguard of the economic system of this Nation. The question particularly before us today is that of foreign trade.

RESPONSIBILITY OF CONGRESS

The Constitution of the United States charges the Congress with the responsibility of regulating foreign trade and this committee is charged generally with the subject that is covered by the bill before us that relates to foreign trade.

Mr. Chairman, the whole tone of the President's message yesterday laid down the policy of constructive plans to encourage the initiative of our citizens. He was equally positive in rejecting secret military treaties at Yalta, Tehran, and Potsdam. While he did not mention the name of these places, it was generally taken for granted that he included them.

The President could well have included secret economic treaties made at Geneva, Switzerland, and later at Torquay, England, by that same State Department.

NO AMERICANS ALLOWED

Mr. Chairman, no American workers, investors nor Members of Congress were allowed to attend the Torquay economic conference sponsored by our State Department any more than they were allowed to attend the military conferences at Yalta, Tehran, and Potsdam. It was under these conditions that the agreement was made with Chile at Geneva, Switzerland, to reduce the tariff on copper. The floor under wages and investments in that important industry of 4 cents per pound reduced to the arbitrary and meaningless amount of 2 cents a pound.

LONG RANGE WAGE EQUALIZING POLICY NEEDED

Now, Mr. Chairman, the crux of the question seems to be whether the Congress should resolve the equalizing medium between the wage standard of living, here and abroad, whenever the foreign price is higher, or whenever we do not produce sufficient copper.

In other words, the point has been made here several times that you only need a tariff on a product when you have an oversupply.

OBJECTIVES—STATE DEPARTMENT

To arrive at a wise conclusion, objectives must be clear and well defined. The objectives of the State Department have been clearly to admit certain products of their own choosing of the foreign low-wage standard of living for the products produced by our own standard of living working people, and therefore remake the industrial map of the United States of America.

It is easy to do that. By manipulating that protection that makes up roughly the differential between the wage living standard here and abroad, you can remake the wage standard of living in this country and we have been engaged in doing that for 20 long years. The thing they have done in many cases to hold this industry to a certain point and not let it fail entirely—and we are talking about minerals, which is in that field—was to provide certain kinds of subsidies, and when we have emergencies—and they have had them almost continuously—to fix prices, premium prices, short amortization periods, guaranteed unit prices, loaning the money direct to the operator, and many other subterfuges to keep the industry from dying entirely but not allowing it to stand on its own feet. Such a fallacy as the State Department has followed puts all investors in jeopardy and discourages venture capital in the particular business and the policy discourages such investments in the business since it is a sharpshooting method and no assurance can be given any business that it will not be the next on the list.

CONGRESS DISCOURAGES PRIVATE INVESTMENTS

I might say that Congress, to the extent of its machinations in the copper field and other entries into this field has encouraged that feeling. Congress has in its power to lay down the principle upon which the protection of the workingmen and investors will be based that will encourage the investment of venture capital.

Venture capital is the only kind of capital that goes into a mining business until the soundness is proved in that particular mine. In other words, it is just like a wildcatter in the oil field, the prospector, and the explorer.

Unless they have reasonable assurance that over the long years stretching ahead of them, where they have been spending money without return, that when they find this ore there will be an adequate return, then the money will not be spent.

FLOOR UNDER WAGES AND INVESTMENTS

Such a floor under wages and investments should be flexible and adjusted on the basis of fair and reasonable competition and should be, Mr. Chairman, without any doubt, in the hands of an agency of Congress. It always was in the hands of an agency of Congress, created by Congress, created by the legislative branch of the Government—not the executive branch of the Government or the judicial branch of the Government, but by the legislative branch of the Government. That was the Tariff Commission.

Now whatever you call it, whether you call it a foreign trade authority or Tariff Commission, that is immaterial. Whether you call a tariff a cow or an orange or an import fee it does not make any difference. The principle is there and must be maintained if you are to maintain your standard of living without a continual war, or emergencies, upon which you can base your reason for continually raising taxes and issuing more bonds to buy everything in sight.

OBJECTIVES—CONGRESS

The objective, Mr. Chairman, then of the Congress would be to maintain our own economic integrity and encourage the domestic production of strategic minerals and materials in the interests of national defense and our national economy.

My concern, Mr. Chairman, is to develop new copper supplies in the United States. In the mining industry you must have prospectors. You must have investors who are willing to put up their money for exploration. To keep these men in the field at their own expense they must have reasonable assurance that they are not going to be destroyed from Washington, either by the legislative or the executive department.

I point out again, the executive department is always fighting for more power. I hope we have passed the peak of that fighting for power, and naturally, of course, the Congress in days gone by probably fought for power. Even the Supreme Court has been accused of trying to make law through decisions. I am not a lawyer and I will not comment on that.

CONGRESS SHOULD REGAIN ITS CONSTITUTIONAL POWER

However, if we could just get back to the Constitution of the United States and let the Congress of the United States regulate that which it says it must regulate, in this case I feel there would be very little difficulty.

To keep these men, exploration organizations and prospectors, in the field at their own expense, they must have reasonable assurance that they are not going to be destroyed from either the executive or the legislative department in Washington. To have large mines you must first have small mines. For small mines you must have prospects.

PROSPECTOR—SMALL MINE—LARGE MINE

I would say over 35 years of observation and experience, perhaps 500 prospects may yield a small mine. Every one of those prospects represents the buried hopes of some prospector. Perhaps he goes on, gets another stake and goes to another prospect. While he is digging in that prospect and until it inches out on him or until someone convinces him it is hopeless, his full hope is buried in that one prospect. Five hundred of them would be a minimum for a small mine.

Perhaps 100 small mines—a prospect where some engineer might come in and recommend a company with whom he has connections or an individual would spend $500 or $1,000 or $5,000 or whatever it would take—take 100 of those small mines and it would produce a larger mine. I expect if the record were searched, it would be nearer 200 or 300. All along are strewn the hopes of these men who are trying to do this. Why do they stay with it? They do it because prospecting, exploration, and mining gets to be a disease once they are in it and they have that bag of gold or they think they have it at the end of the rainbow. That is what keeps them going. Lately we have not been developing many of those men because for 20 years there has been no hope. Instead, what you do is move into Washington and try to get next to some Government department to loan you the money and guarantee a unit price and a short amortization period and maybe other emoluments so that what you are doing is furnishing the know-how—if in fact you have it and a lot of them get the money who do not have it. The result is that the taxpayers of the United States are in the business whether they like it or not. That, of course, we have all kicked about, that that is one of the reasons why taxes are too high and appropriations are too high.

GOVERNMENT DOES NOT PAY TARIFF

The Government does not pay the tariff. That has been established here before this committee time and again. That is true on any product imported for the use of the stockpile. The President has that power and the power has been exercised.

If any material is imported by a private concern selling its products to the Government for national defense, the tariff would be paid to the Government and charged back to it through the manufactured product. In any case, the cost of the raw materials in proportion to the labor and other costs going to the manufactured article is comparatively small.

I want to refer briefly here to a remark that is made in editorials and articles in newspapers, who either mistakenly or otherwise support such a policy, to the effect that the original tariff was $40 a ton on copper. That sounds like an awful lot of money. But I would point out that the tariffs on the brass products that are manufactured are 15 or 20 percent. There is copper in something like a lipstick that costs a dollar, the copper content would be so small you can hardly measure it, but still, let us say it was half an ounce. What would 50 cents of ad valorem on that, amount to per ton? Nearer $10,000 or $15,000 a ton, I would say. So I agree fully with Senator FLANDERS that it has no possible connection with the flow of copper.

NEED CONSISTENT CONGRESSIONAL POLICY

Of course, the point is continually made and has been made before this committee this time, and it was made 2 years ago when this matter was up for extension, by the advocates of free trade on a certain product, that since we do not currently produce enough copper for our own use, we must eliminate the protection to the domestic producer. In fact concerning any product which is in short supply, free trade should be the rule.

The point is further made that when we reach the point of full and adequate domestic production for the domestic market, then such product or industry must have protection.

The utter fallacy and futility of such a policy is fortunately readily apparent. The argument falls of its own weight. The conclusion is inescapable, if you take that philosophy, then, that if they believe that in the fields of minerals, precision instruments, crockery, and dozens of other essential products and industries, such industries must, prove their ability to produce to the saturation point of the American market in competition with the products of low-wage foreign labor before protection will be afforded them.

CHURCHILL CLAIMED THE "TRADE, NOT AID" SLOGAN

It is a preposterous statement. They are selling it to the country through such slogans as "reciprocal trade," "trade, not aid," and all the preposterous slogans that, in the first place, Americans rarely invent. The last one, "trade, not aid," is the only one recently that I have seen Mr. Churchill claim. He said when he landed in America that what they meant by "trade, not aid," was lower American tariffs. I quoted him in a release.

In other words, it was not an American slogan. I have a pile of photostats from national magazines and editorials which covered this country nearly a foot deep immediately following the election. Mostly they were in the weeks immediately following the week of the 17th of November. That week was the thickest wave that went out, selling "trade, not aid."

In other words, they were telling us to milk the taxpayers of this country and give them the money.

They would let us off the hook for a certain amount of that money if we would give them our markets or a source of the income that we have.

REQUIRES YEARS TO DEVELOP A MINE OR A MINER

It requires, as I have already stated, years to develop a mine or a miner. A miner is like a watchmaker or is like a mechanic or anyone else. It takes years to develop a good one. Mere technical information is not sufficient. Nor is it very much necessary. Experience is necessary for a workingman in a mine.

Four or 5 years is necessary to develop a mine.

Mr. Chairman, I have worked in the mines. I have worked in the mills.

The first job I had in a mill was using a No. 2 shovel on a concrete floor, on the mill floor. I finally worked up to the filters, which is not a highly technical job. You do not have to understand all the effects of the chemicals but you have to know the proportions to mix. Many of us learned that before we went to the universities.

You cannot develop, as I have already said, a mine during an emergency. It has to be done over a period of years. The history of nearly all the large mines will show anywhere from 3 or 4 to a half-dozen organizations and individuals who have wrecked themselves and their fortunes in working on these things. They have taken up a homestead. It sounds nice to take up a homestead out in the sagebrush. About the third fellow who gets it will make something out of it. The other two fade out of the picture for some reason.

The representative of the Tariff Commission here yesterday testified that some of the mines the Government is financing or supporting in one way or another would require as long as 7 years to bring into production. I would say that is not uncommon. I think they are very lucky and they will find these mines they are bringing in like the Yerington one were very well prospected, as much as could have been done with nominal finances, long before these companies came in who now have the Government's support. I would say they would be lucky if they could do it within 7 years, and after all the work had been expended.

Anaconda Co. would take about 5 or 6 years, counting their exploration work and expenditure, before they go into production.

As a matter of fact, they went through all this work before they were even willing to take the money from the Government and the short amortization period and go to work for them.

NEED GOING-CONCERN MINING INDUSTRY

Mr. Chairman, you are from a mining State and you know the record is a familiar one in the development of mining properties. This time that it takes to develop a mining property; a long time is the rule and not the exception. Nothing but experience develops a prospector or a miner. Years and not months are required for the job. Therefore we must have a going-concern mining industry. How can you do that? By a Congress whose duty it is establishing a definite policy relating to the domestic production and foreign production and foreign trade and allowing such policy to become the settled principle upon which the potential investor of venture capital can depend. Congress set the precedent in establishing the Interstate Commerce Commission on principle. The railroads had for many years treated shippers as individuals making concessions as pleased them, every road having a different rate in many cases and almost a different rate for every principal shipper.

CONGRESSIONAL POLICY SIMILAR TO ICC

Congress established the ICC, the Interstate Commerce Commission, to have jurisdiction over all railroad rates and set down a definite policy to be followed. What was that policy? It was the principle of a reasonable return on the investment. They did not say that a rate should be a certain amount here and a certain amount there, but they said that there should be a reasonable return on the investment, and they set up the ICC to study what that investment was truly, and establish a reasonable return.

Mr. Chairman, I have served 8½ years on a State regulatory body and have held many hearings for the Interstate Commerce Commission. The principle works.

Congress could do exactly the same thing in this field. It could say to the Tariff Commission, or the Foreign Trade Authority, or whatever they wanted to set up with that responsibility—certainly not the State Department—and say to them, "You shall determine the tariff or the import fee, or whatever you choose to call that differential between the production cost in this country and abroad due mostly to the difference in the living standards here and abroad; you shall determine it on a basis of fair and reasonable competition." That is what they could do. Turn them loose. Let them go.

There are competent men in the Tariff Commission. I have not reviewed the list very recently but the only difficulty with them in the last 20 years is that you have had a State Department and a Tariff Commission—at least 2 or 3 members of it—who have definite ideas on how it ought to be done. They have no right to have ideas on how it ought to be done. The Congress should establish the policy as to how they should do it and they are the technicians to do the work.

They do have a right under the so-called Reciprocal Trade Act, which is not reciprocal at all, and the two words do not occur in the act—I guess the committee is entirely familiar with that; it is a 1934 Trade Agreements Act and it is simply an act that transferred from the long experience of the Tariff Commission, the responsibility of fixing tariffs to a State Department that has no interest in, or knowledge of, industry.

They have some foreign policy where they think they can trade certain industries to bring about free trade.

STATE DEPARTMENT ESTABLISHED "FREE TRADE"

Congress did not set this free-trade policy. The executive department set it through the State Department. In other words, the mere transfer of the responsibility of setting these tariffs did not establish a free-trade policy. However, Congress made the mistake of bestowing that power on a State Department that had free-trade ideas. Therefore, they carried them out.

They proceeded, of course, to lower practically all tariffs below that point of the differential of cost of production here and abroad due to the differences in the wage standards of living. That has the effect of free trade, even if it is only a few percentage points below that differential.

Now, Congress in my humble opinion must take cognizance of the effect of transferring its constitutional responsibility to the State Department and regain and accept its responsibility. It must return that responsibility to its own agent, the Tariff Commission. If they want to change the Tariff Commission in any respect, they have full power to do it, and lay down the policy which it is to follow, just as it did in the case of the ICC.

Now, Mr. Chairman, there has never been any question in the minds of the people who want to protect the investor and the workingmen, of a high or a low tariff. You have that thrown at you from every side—that you want to put a fence around the United States; that you want to preclude the entry of all products. Nothing of the kind is contemplated. Of course, an industry may have that wish at times, but no one who is charged with the responsibility of such a policy wants to do it. What they want is a tariff or import fee or whatever you choose to call that differential to be based on a fair and reasonable protective basis where the foreign countries have equal access to our markets but no advantage.

It must return the responsibility to its own agent, the Tariff Commission, or whatever we choose to call its own agent.

The policy laid down should be that of a flexible tariff or import fee, and be continuously adjusted upon the basis of fair and reasonable competition.

There is no tariff on products which we cannot produce or do not produce in sufficient quantities for competition, such as tin, nickel, natural rubber, spices, hemp, and so forth. No one has ever contemplated such a thing. That would simply be a tariff for revenue only.

However, we are past the point of sharpshooting. You cannot say to zinc and lead and copper that you must have free trade because there is short supply.

You cannot say to the textile industry that you will lower the tariff to allow England and Scotland and other competitors to come in with their low-cost labor, but make it unprofitable for those countries to hold their labor costs down.

In other words, if they paid the difference into the United States Treasury a while it would not be long until the wages and the standard of living would go up and create a market in their own country.

THE WOOL INDUSTRY

Now, Mr. President, I want to show further the utter fallacy of the theory that anything in short supply must be free trade. Of course, when you take the tariff off then you are always going to be in short supply.

I just had a wire this morning. I have not seen K. C. Jones, who is the secretary of the National Wool Growers Association for almost a year. This is a wire from Denver, Colo., dated the 3d:

"Allied Wool Industry Committee with National Wool Growers Association, National Wool Marketing Corp., and Western Wool Handlers Association, meeting in Denver today, adopted resolution of policy your statement on foreign trade as made by you in Reno, May 9, 1952."

What was that statement, Mr. Chairman? The wool people of the United States, represented nationally in Denver, your own hometown. What is this principle they adopted on the third? This is it. It is taken from domestic and foreign principles that I laid down in one of my speeches.

"Promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingmen or the American farmer or threaten serious injury to a domestic industry."

Now, Mr. Chairman, to establish the utter fallacy that these things only refer to an industry where there is a full production for the domestic market or an overproduction, I have established here the wool production for the years' domestic production 1949, 1950, 1950–51, and the consumption for those years, both domestic and imported. I wanted to read one of them and submit it for the record.

[Pounds]

Year	Domestic produced	Imported	Consumption
1949	120, 376, 000	272, 503, 000	500, 361, 000
1950	119, 086, 000	466, 848, 000	634, 809, 000
1951	117, 915, 000	361, 216, 000	484, 157, 000

Now, Mr. Chairman, the question of wool is not before us. It will be before we are through. It is a strategic material because we do not produce the amount we need. So what did we do? We passed the tariff in 1947 which was vetoed by the President and then a subsidy encouraged by him or suggested, and we passed it. But the subsidy has long since passed out of all usefulness because it does not make up the difference and we are going out of the sheep business and wool business in the United States of America. Of course, we will never entirely go out of it but there is no incentive to go into it. No one in his right mind is going to buy a band of sheep because of the continual fussing with the tariff in the Congress and in the State Department.

WORKERS' WAGES—CHILE

Now, Mr. Chairman, there was particular reference to the production of copper in Chile, which is the principal exporter to the United States and will be for some time until probably we are in full production or increased production in South Africa. One of our domestic companies is interested in Africa, and I think some English companies and there is a tremendous potential production there. This thing has only started.

The Chilean copper worker receives an average of about 146 pesos per day. The free market exchange of the Chilean peso fluctuates at around 125 pesos to $1. Therefore if a copper worker wanted to convert his wages into dollars he would receive about $1.17 per day. In comparison, the purchasing power of the Chilean copper worker to the American copper worker is $1.17 to $15. We could say roughly $15. There may be some of the wages under $15. Say $11 to $15 in this country. That was the average wage paid to copper miners in the United States for the month of November 1942. November 1952 was the most recent month averaged by the Department of Labor. The figure of $15 per day includes some overtime pay. It is not important except to show it is about one-tenth.

Most of the 35.5 cents paid for Chilean copper goes to the Government of Chile. The purchasing power of the workers' peso is only $1.17 per day, and the copper companies gross only about 8 cents per pound on copper.

I want to say right here, Mr. Chairman, this information is being gained independently of the copper companies who have those contracts, and they are subject to any correction in detail.

(The following was later received regarding the above:)

ANACONDA COPPER MINING CO.,
New York, N. Y., February 4, 1953.

Hon. EUGENE D. MILLIKIN,
Chairman, Finance Committee, United States Senate, Washington, D. C.

DEAR SENATOR MILLIKIN: During the course of the hearing before the Finance Committee on the above bill, reference was made to the low-cost foreign labor in Chile, which is the principal source of imports of copper into the United States, and at the session this morning it was stated by Senator MALONE that this labor was paid 146 pesos per day by the companies operating in Chile.

The company which I represent is a large domestic producer of copper and is the largest producer of copper in Chile. The committee hearing was adjourned at the conclusion of the testimony of Senator MALONE, and I consequently was unable to present the facts in regard to the remuneration received by laborers at the Chile operations. Consequently, I would like to furnish for the consideration of your committee and of the Senate of the United States the following information:

The last month for which I have information at this time is October 1952. During that month the Chile Exploration Co., a subsidiary of Anaconda Copper Mining Co. operating the Chuquicamata mine in Chile, which is the largest copper mine in the world, employed an average of approximately 4,000 laborers on that property working a total during that month in excess of 100,000 shifts. The average cost to the company per shift for such laborers was 584.82 pesos. Converted into dollars at the rate of exchange required to be paid by our company, this amounted to $20.78 per shift, which was the average dollar cost to our company in October 1952 of laborers engaged at our Chuquicamata property in Chile.

This, I believe, would be fairly typical of the labor costs of the companies which export copper from Chile to the United States.

This is substantially in excess of the shift costs in the United States and certainly does not represent low-cost foreign labor. As the result of such labor costs, the per pound cost of our production in Chile substantially exceeds the per pound cost of the low-cost open-pit producers in the United States.

Since the month of October 1952, adjustments have been made which increase the Chilean labor shift costs above referred to. This cost is on the basis of an 8-hour shift.

Very truly yours,

R. H. GLOVER,
Vice President and General Counsel.

Senator MALONE. The net receipts for the copper companies is much less. It costs the copper producer on an average of about $7.54 per day per worker for wages, not including benefits. Yet the purchasing power of the wages for the worker is only $1.17 and the difference goes to the Chilean Government. We are in fact subsidizing the Chilean Government. I am not commenting on whether it is a good or a bad idea, but I am giving you what I believe to be the facts.

Of the current Chilean price of 35.5 per pound, 16.5 cents reverts to the Chilean Government. The remaining 19 cents accrues to the producing companies. The method of imposition of this tax is as follows: A base price of 13.5 cents per pound for electrolytic copper; 13.25 cents for fire-refined copper, and 13.125 cents for Bessemer copper is established by Law 1760 as amended. That portion of the sale price between 13.5 cents and 24.5 cents is divided equally between the companies and the government. It is rather an intricate setup, Mr. Chairman. The companies have, in my opinion, plenty to explain about.

The income received by the companies which is subject to this tax is as follows: Income in excess of 13.5 cents per pound is deductible from taxable income for the purpose of computing income tax.

Now, Mr. Chairman, in closing—and I hope that Senator Danaher, or any member of the copper companies or anyone else may feel free to ask questions. I think I am tough enough to take it and I know it is a tough subject. It is going to get tough.

SAME SITUATION—ZINC AND LEAD

What I am concerned about is that we are going to face the same situation with particular reference to zinc and lead in a very little while. The junior Senator from Nevada has recently been appointed chairman of the Minerals and Fuels Subcommittee of the Senate Interior and Insular Affairs Committee and the distinguished Senator from Colorado, the chairman of this committee is a member of it, and we have our work cut out for us. We cannot read the menu backward. We have to go into this thing and find out what will keep us in the mining business in this country. We have to find out how that principle fits into the principle of other people in the mining business in this country. In other words, how we fit into the intricate economy of this Nation.

FREE TRADE FOR COPPER HAS RAISED COSTS TO UNITED STATES CONSUMER

Mr. MALONE. Mr. President, this year I have submitted further minority views, which are published in the Senate Finance Committee's report on the pending bill. In them I point out that lowering the duty or suspending it has in no way reduced costs to the consumer. If it has had any effect on the consumer at all it has been to raise the price of copper.

In 1954 the average domestic price for copper was approximately 29 cents a pound. The foreign price was 35 cents.

This year the domestic price was boosted to 36 cents by the three major companies producing approximately 80 percent of the domestic supply.

I have no quarrel with this price. It is a fair price. But it is also the world price and world prices of copper have been increased at the same time tariffs were being cut or dropped.

The consumer has not received one iota of benefit from any of these tariff concessions.

NATIONAL SECURITY IMPAIRED BY FREE-TRADE COPPER POLICY

The Nation as a whole has not received any benefit.

Copper is one of the most critical metals affecting our national security. Exploration and development of copper deposits in this country are being thwarted. They are being deliberately thwarted by the free-trade drive to substitute foreign imports for domestic product.

That would not be too dangerous to our security if our imports were confined to South American copper. We can defend the Western Hemisphere.

But it is folly to encourage South African production by imports from Africa. We could not bring in a pound of copper from Africa in the event of an all-out war.

The South African potential is approximately 25 percent of the 2,750,000 tons of annual world production, or about 700,000 tons, and it cannot be protected.

American taxpayers, our own citizens, contributed to the development of the South African copper production. Congress has contributed to it.

CENTURY-OLD AMERICAN POLICY DESTROYED BY CONGRESS

Congress destroyed the century-old principle of protection of the workingmen and investors when it turned over its constitutional tariff-making powers and powers to regulate foreign commerce to a foreign-minded State Department.

The State Department, in turn, turned these powers over to GATT, the 34-nation organization which meets periodically in Geneva, Switzerland.

GATT set the 2-cents-per-pound rate, reduced from 4 cents, which Congress for the past 7 years has eliminated entirely and which the Congress proposes to eliminate entirely for 3 more years.

What does this mean? Either with the 2-cents-a-pound GATT tariff or the no-cents-a-pound free trade voted in the past by Congress, no new individuals or companies dare enter into the business of copper production.

FIELDS OF OPPORTUNITY FOR NEW UNITED STATES MINING ENTERPRISES CLOSED

It would be insane to make new investments in American copper exploration or development when foreign copper dumped on the United States without duty could at any time wipe those investments out.

The small companies already have been largely eliminated.

Three companies today produce 80 percent of all our domestic copper, and seven companies produce 92 percent.

Congress has thus closed off the fields of opportunity for new mining enterprises. It has virtually eliminated the small producers, who given any encouragement or incentive might grow ultimately to be big producers and make important contributions to our security.

Congress likewise has utterly destroyed the century-old principle of protection, as I stated previously, and has foreclosed American free enterprise from engaging in new developments of our mineral resources.

AMERICAN SMALL BUSINESS BEING RUINED BY FOREIGN COMPETITION

Small business is on its way out, not only in the mining field but in hundreds of other production fields; and Congress is to blame. It is Congress that has put every American enterprise into competition with foreign producers with the foreign producers given every conceivable advantage.

The copper producer in Rhodesia does not have to worry about living standards or fair wages. He does not have to pay high taxes to maintain a huge military establishment or foreign aid. The only thing he knows about foreign aid is the aid which in all probability he has been getting at the expense of the American taxpayer.

He does not have to worry about workmen's compensation, unemployment insurance, social-security taxes, or the possibility of paying a guaranteed wage.

He does not have to concern himself with welfare or pension benefits.

All he has to do is to mine his ore with native labor working for a bare subsistence, then dump it on the American market tax free and tariff free.

FREE-TRADE PRINCIPLE HAS COST UNITED STATES TAXPAYERS MORE THAN $50 BILLION SINCE WAR

Free trade is free to foreign countries, but it is the most expensive trade there is from the standpoint of America's security and American advancement.

To help support the free-trade principle we have had to vote more than $50 billion in the past 9 years to foreign countries, giving them the money to buy our goods at the same time they are earning money from us through sales of their goods in America.

We have succeeded in building the prosperity of England and her colonies, France and her African colonies, and other European nations which have colonies, such as Belgium.

PROSPERITY CLOCK TURNED BACK OR STOPPED ON MANY UNITED STATES INDUSTRIES

We have done that at tremendous cost to our own taxpayers, our industries, investors, and producers.

While we have been building up the economy of other nations we have stopped the clock or turned it back so far as many of our own industries are concerned.

In the 3 years of this administration, or 2½ years of this administration to be more precise, we have witnessed the number of distressed areas in the Nation increase from 37 to 156.

We have turned the clock back on our coal industry; on our lead, zinc, chrome, mercury, tungsten, and almost every other metal or mining industry.

We have stopped the clock on our textile industry, glass and chinaware industries, and scores of our other manufacturing industries.

We have stopped the clock on our copper industry, and propose to keep it stopped for 3 more years, having already slowed the clock down, as the statistics show.

1954 UNITED STATES COPPER PRODUCTION LOWEST SINCE 1949

Domestic copper production, primary copper production last year was the lowest since 1949, and for the first time since 1949 dropped below 900,000 tons. It was 828,000 tons last year.

What it will drop to in the next 3 years if we continue this free trade calamity no one can guess. But that it will drop there can be no doubt.

RETURN TO CONSTITUTION AND AMERICAN SYSTEM URGED

Mr. President, let us get back to sanity, and to the American way, the American system, and the constitutional way.

Let the Congress reassert its constitutional responsibility to levy duties and imposts—meaning tariffs—and to regulate foreign commerce.

Let Congress look to America's economy and welfare.

The Congress could well take the first step now. It could restore the 2-cents-per-pound tariff on copper, a tariff that to be truly effective should be the original 4 cents per pound or more.

This is a good time and place to start returning to the constitutional way.

CONGRESS SHOULD END FREE TRADE AND FOREIGN FREE LOADING AT UNITED STATES EXPENSE

The Congress should end this free trade which is killing American free enterprise and incentive.

It should end these windfalls to producers of foreign copper which have totaled $164 million in the past 7 years, and let that money go into our National Treasury for the relief of the American taxpayer.

Foreign imports should be compelled to share the American burden of taxes, as the Constitution intended, instead of enjoying our hospitality on a free-trade basis like free loaders at a banquet.

The pending bill should be defeated.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the marked paragraphs in the minority views submitted by me to the Senate on May 27, 1955.

EXCERPTS FROM MINORITY VIEWS ON H. R. 5695 INCLUDED

There being no objection, the marked paragraphs of the minority views were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Salient statistics of the copper industry, 1919–53*

[All figures in short tons, except price and tenor of ore]

Year	Mine production	Average tenor of copper ores (percent)	Refinery production (primary) from—			Imports (refined) [1]	Exports (refined) [1]	Apparent consumption of new copper [2]	Quoted price at New York [3] (cents per pound)	World production (smelter)	Production from scrap as metal and in alloys		
			Domestic materials	Foreign materials	Total						Old scrap	New scrap	Total
1919	606,167	1.65	716,743	168,341	885,084	17,569	219,080	457,236	18.90	1,095,696	152,600	134,590	287,190
1920	612,275	1.63	591,212	171,871	763,083	54,372	275,613	526,919	17.50	1,057,200	168,960	143,500	312,460
1921	233,095	1.70	304,707	170,682	475,389	34,625	298,059	305,494	12.65	614,600	131,990	85,310	217,300
1922	482,292	1.74	452,335	175,423	627,758	51,572	326,333	448,317	13.56	952,400	202,800	133,100	335,900
1923	738,870	1.58	732,083	257,835	989,918	80,356	364,690	650,237	14.61	1,341,500	270,900	140,000	410,900
1924	803,083	1.59	837,107	292,931	1,130,038	72,955	504,812	677,371	13.16	1,493,600	266,200	122,100	388,300
1925	839,059	1.54	841,448	260,839	1,102,287	49,887	484,033	700,506	14.16	1,546,500	291,010	129,200	420,210
1926	862,638	1.46	865,649	295,594	1,161,243	85,283	428,062	785,068	13.93	1,608,300	337,300	142,500	479,800
1927	824,980	1.41	859,476	303,406	1,162,882	51,640	461,233	711,480	13.05	1,673,300	339,400	150,800	490,200
1928	904,898	1.41	895,899	347,905	1,243,804	42,365	474,737	804,269	14.68	1,880,500	365,500	170,900	536,400
1929	997,555	1.41	991,366	378,690	1,370,056	67,007	411,227	889,293	18.23	2,098,800	404,350	222,200	626,550
1930	705,074	1.43	695,612	382,918	1,078,530	43,105	297,057	632,509	13.11	1,760,000	342,200	125,000	467,200
1931	528,875	1.50	537,303	213,418	750,721	87,225	202,698	451,032	8.24	1,536,000	261,300	85,700	347,000
1932	238,111	1.83	222,539	117,895	340,434	83,897	110,977	259,602	5.67	1,027,000	180,980	67,200	248,180
1933	190,643	2.11	240,669	130,120	370,789	5,432	124,582	339,350	7.15	1,143,000	260,300	77,800	338,100
1934	237,401	1.92	233,029	212,331	445,360	27,417	262,366	322,638	8.53	1,448,000	310,900	66,500	377,400
1935	386,491	1.89	338,321	250,484	588,805	18,071	260,735	441,371	8.76	1,681,000	361,700	87,200	448,900
1936	614,516	1.54	645,462	177,027	822,489	4,782	220,390	656,179	9.58	1,895,000	382,700	101,900	484,600
1937	841,998	1.29	822,253	244,561	1,066,814	7,487	295,064	694,906	13.27	2,585,000	408,900	123,200	532,100
1938	557,763	1.34	552,574	239,842	792,416	1,802	370,545	406,994	10.10	2,254,000	267,300	92,500	359,800
1939	728,320	1.25	704,873	304,642	1,009,515	16,264	372,777	714,873	11.07	2,396,000	286,900	212,800	499,700
1940	878,086	1.20	927,239	386,317	1,313,556	68,337	356,431	1,008,785	11.40	2,734,000	333,890	198,156	532,046
1941	958,149	1.15	975,408	419,901	1,395,309	346,994	103,602	1,641,550	11.87	2,905,000	412,699	313,697	726,396
1942	1,080,061	1.09	1,064,792	349,769	1,414,561	401,436	131,406	1,608,000	11.87	3,076,000	427,122	500,633	927,755
1943	1,090,818	1.04	1,082,079	297,184	1,379,263	402,762	175,859	1,502,000	11.87	3,038,000	427,521	658,526	1,086,047
1944	972,549	.99	973,852	247,335	1,221,187	492,395	68,373	1,504,000	11.87	2,847,000	456,710	494,232	950,942
1945	772,894	.93	775,738	332,861	1,108,599	531,367	48,563	1,415,000	11.87	2,436,000	497,095	509,421	1,006,516
1946	608,737	.91	578,429	300,233	878,662	154,371	52,629	1,391,000	13.92	2,067,000	406,453	397,093	803,546
1947	847,563	.90	909,213	250,757	1,159,970	149,478	147,642	1,286,000	21.15	2,513,000	503,376	458,365	961,741
1948	834,813	.92	860,022	247,424	1,107,446	249,124	142,598	1,214,000	22.20	2,580,000	505,464	467,324	972,788
1949	752,750	.91	695,015	232,912	927,927	275,811	137,827	1,072,000	19.36	2,600,000	383,548	329,595	713,143
1950	909,343	.89	920,748	319,086	1,239,834	317,363	144,561	1,447,000	21.46	2,915,000	485,211	492,028	977,239
1951	928,330	.90	951,559	255,429	1,206,988	238,972	133,305	1,304,000	24.37	3,095,000	458,124	474,158	932,282
1952	925,359	.85	923,192	254,504	1,177,696	346,960	174,135	1,360,000	24.37	3,115,000	414,635	488,562	903,197
1953	926,448	.85	932,232	360,885	1,293,117	274,777	109,510	1,435,000	28.92	3,275,000	429,388	529,076	958,464
1954									30.00				
1955									36.00				

[1] Imports and exports may include some refined copper produced from scrap. Categories not wholly comparable from year to year. Copper is also imported in crude form and shows up as refinery production from foreign ore. Exports, on the other hand, take place also in forms beyond the refined stage.

[2] Adjusted for changes in stocks.

[3] American metal market price for electrolytic copper in New York; f. o. b. refinery through August 1927, New York refinery equivalent thereafter.

Principal producing companies, with their 1953 output

Company [1]	Short tons	Percent of total United States
Kennecott Copper Corp	429,000	46
Phelps Dodge Corp	224,000	24
Anaconda Copper Mining Co	74,000	8
Inspiration Consolidated Copper Co. (Anaconda holds 28 percent of issued stock)	40,000	5
Miami Copper Co. (including Castle Dome Copper Co., Inc.)	47,000	5
Magma Copper Co	25,000	3
Calumet & Hecla, Inc	20,000	2
Total above companies	859,000	93
Total United States	926,000	

[1] Individual company figures from Yearbook of the American Bureau of Metal Statistics, 1953.

MINING

There were over 300 active copper-producing mines in the United States in 1953, most of them relatively small. The 25 largest mines produced 98 percent of the total copper. The mines are listed in table 6.

SMELTING

The primary copper-smelting companies in 1953, their approximate capacities in terms of charge (according to the Yearbook of the American Bureau of Metal Statistics), and the percentages of the total represented, are as follows:

Company	Annual capacity, tons of material	Percent of total capacity (charge)
American Smelting & Refining Co	[1] 2,883,000	34
Phelps Dodge Corp. and Phelps Dodge Refining Corp.	2,650,000	32
Anaconda Copper Mining Co.	1,000,000	12
Kennecott Copper Corp	840,000	10
International Smelting & Refining Co.[2]	360,000	4
American Metal Co., Ltd	265,000	3
Magma Copper Co	250,000	3
Tennessee Copper Co	70,000	1
Lake smelters:		
Calumet & Hecla, Inc	100,000	1
Quincy Mining Co	12,000	
Total	8,430,000	

[1] The greater part of the capacity (1,608,000 tons) of the smelter at Garfield, Utah, and of the capacity (300,000 tons) of the smelter at Hayden, Ariz., is used in treating concentrates from the Utah division and the Ray division, respectively, of the Kennecott Copper Corp.
[2] Owned by Anaconda.

REFINING

The copper-refining capacity of primary producers in the United States in 1953, according to the American Bureau of Metal Statistics, aggregated about 1,896,000 tons. The copper-refining companies and their approximate percentage of the total are listed in order of magnitude of available facilities.

Company	Annual capacity, tons	Percent of total capacity
American Smelting & Refining Co.	[1] 486,000	26
Phelps Dodge Refining Corp	405,000	21
Kennecott Copper Corp	264,000	14
International Smelting & Refining Co.[2]	240,000	13
American Metal Co., Ltd	200,000	10
Anaconda Copper Mining Co	150,000	8
Calumet & Hecla, Inc	100,000	5
Inspiration Consolidated Copper Co.[3]	39,000	2
Quincy Mining Co	12,000	1
Total	1,896,000	

[1] Part used for refining copper produced by Kennecott.
[2] Owned by Anaconda.
[3] 28 percent of stock owned by Anaconda.

About 10 percent of the primary refined copper produced from domestic materials in the United States is recovered by fire refining in Michigan, New Mexico, and Texas from crude materials produced in Michigan, New Mexico, and Arizona.

FABRICATION

Fabricators are the principal customers of the primary copper producers. It is in the fabricating plants that the bulk of the new copper is put into semifinished forms—wire, rods, extruded, and rolled shapes, etc.—which constitute the raw materials for many other industries.

About 30 companies in the United States are generally recognized as important fabricators of raw copper. Many of the largest are owned by or associated with the great copper mining, smelting, and refining companies, giving them integrated operations from the mines to the finished brass and copper products. A list of the fabricating companies affiliated with copper-producing companies follows.

Fabricating companies of principal copper producers:

Fabricating company	Parent company or company having part stock ownership
Chase Brass & Copper Co.	Kennecott Copper Corp.
Kennecott Wire & Cable Co.	Do.
American Brass Co	Anaconda Copper Mining Co.
Anaconda Wire & Cable Co.	Anaconda Copper Mining Co. (owns 70 percent of stock).
Phelps Dodge Copper Products Corp.	Phelps Dodge Corp.
Revere Copper & Brass, Inc.	American Smelting & Refining Co. (owns 36 percent of stock).
General Cable Corp	American Smelting & Refining Co. (owns 42 percent of stock).
Wolverine Tube Division.	Calumet & Hecla, Inc.
C. G. Hussey & Co	Copper Range Co.
New Haven Copper Co	Tennessee Corp. (parent company of the Tennessee Copper Co.).
Titan Metal Manufacturing Co.	Consolidated Coppermines Corp. (owns 64 percent of stock).

The more important independent fabricators not affiliated with the major producers include the following: Bridgeport Brass Co., Bristol Brass Corp., Chicago Extruded Metals, Lewin Metals Division, Lewin Mathes Co., Olin Mathieson Chemical Corp., Mueller Brass Co., Reading Tube Co., J. A. Roebling's Sons Corp., Rome Cable Corp., Scoville Manufacting Co., Triangle Wire & Cable Co., Inc., and Volco Brass & Copper Co.

GEOGRAPHIC DISTRIBUTION OF COPPER INDUSTRY

Copper occurs so widely in nature that almost every country has some copper-ore deposits; 21 countries each mined over 10,000 tons of recoverable copper in 1953, and some 16 other nations reported some output. In spite of this wide distribution, most of the world mine production is made in but a few places. Concentration mills are found almost always at the mines, although some mills receive custom ores from short distances. Smelting facilities are usually within short distances of mines and mills, and absence of such facilities retards development of new areas of production. Smelter products frequently must be shipped long distances for refining. The smelter products are of such high purity that little, if any, saving in transportation costs would result from shipping refined instead of smelted copper to consumption localities. The scrap supply is chiefly in the industrial areas.

RESOURCES

About 90 percent of unmined world copper resources is in 5 regions—south-central Africa, Chile, the western United States, eastern Ontario and southern Quebec in Canada, and Kazakhstan, U. S. S. R. Table 2 lists 12 districts or mines containing 85 percent of the world copper resources. This list includes both developed reserves that are surely economic under present conditions and partly explored semieconomic deposits that are so large they probably will be important for the future. Deposits not known to contain copper reserves in quantities greater than 3 million tons of copper metal have been omitted from the list.

Senator MALONE. Mr. Chairman, I want to discuss the position of these same companies on fabricated articles in this country. They are for free trade on copper, which is a raw material that comes in and which is used in the fabrication of brass and copper articles.

I ask permission that the complete table appear as a part of my testimony.

The CHAIRMAN. Without objection, it may be included in the record.

(The list referred to is as follows:

The attached list shows the principal fabricating companies and the parent company or companies having part stock ownership. The principal copper-producing companies are Anaconda, Kennecott, and Phelps Dodge. Their brass-manufacturing subsidiaries producing semifabricated or semimanufactured items which are used in the finished item to the consumer. Examples of this are sheets, rod, wire, extruded shapes, drawn shapes, brass and copper pipe, and similar items which can be further manufactured into a finished commercial article going to the individual consumer.

Under the suspension of the 2 cents excise tax on imports of copper material, the only tax on the importation of these is shown in the following items. Under the Trade Agreements Act, a tariff on items such as these may be cut by the President 5 percent per year or a total of 15 percent during the next 3 years.

Tariff

	Copper	Brass alloys
Sheet, roll, strip plate cents per pound	1¼	2
Wire percent	12½	12½
Rod, shafting, piston rod cents per pound	1¼	2
Extruded shapes:		
Rolls and rods do	1¼	
Tube do	3½	
Brazed tubing do		5½
Drawn shapes: Rod do	[1] 1¼	
Brass and copper pipe:		
Seamless brass do		2
Brazed do		6

[1] Same as extruded.

The above items are used by a large number of manufacturers who make the finished and completed articles that go to individual shops and consumers. Examples of the tariff on the completed articles are as follows. With a possible exception of the Revere Copper Co., which makes kitchenware largely of stainless steel, none of the leading brass mills make the completed articles for the individual consumer.

Kitchenware brass, table, household, and hospital, 15 percent ad valorem.

Incandescent lamps, 12½ percent.

Manufacturers of brass not plated with gold or silver, 22½ percent; also bronze, 22½ percent.

Brass bases for lamps, 22½ percent.

Flashlight cases, 35 percent.

Electric cooking stoves, 12½ percent.

Furnaces, 12½ percent.

Various items not specified elsewhere, 12½ percent.

Washing machines and parts, 17½ percent.

Dental instruments, 17½ to 22 percent.

Surgical instruments, 40 to 45 percent.

Brass wind instruments, 20 to 30 percent.

Tuned bells, 15 percent.
Metal buttons, 22½ percent.
Safety pins, 22½ percent.
Pins with solid head, 20 percent.
Electrical fixtures, 22½ percent.
Snap fasteners, 55 to 60 percent.
Shoe fasteners, 40 to 60 percent.
Jewelry and parts valued not over $5 per dozen, 55 percent.
Jewelry and parts valued over $5 per dozen, 55 percent.
Cigarette cases, compacts, etc., valued not over $5 per dozen, 65 percent.
Cigarette cases, compacts, etc., valued over $5 per dozen, 35 percent.
Larger items for component parts made of copper or brass and are listed as follows:
Generator and parts, 15 percent ad valorem.
Transformers, 12½ percent.
Switches, 17½ percent.
Motors, 12½ percent.
Fans-blowers, 17½ percent.
Telegraph apparatus, 17½ percent.
Radios, 12½ percent.
Television, 12½ percent.
Telephones, 17½ percent.
Electric furnaces, 12½ percent.
Bare wire and cable, 12½ percent.
Insulated wire and cable, 17½ percent.

History of the import excise tax: Copper ores were on the free list from 1894 to June 21, 1932. Prior to that time the ores were taxed on their copper content. Under the act of 1883 the duty was 2½ cents per pound of fine copper, but this was reduced to ½ cent by the act of 1890.

Copper matte and regulus was dutiable at 3½ cents per pound of copper content under the act of 1883, but it was cut to 1 cent in 1890, and in 1894 the material was placed on the free list until June 21, 1932.

Copper metal: In the Tariff Act of 1883 the metal paid a duty of 4 cents per pound.

In 1890 the duty was cut to 1¼ cents per pound. In 1894 it was removed entirely. Since that date copper ore, matte, and unmanufactured copper was on the free list until the imposition of the excise tax in June 21, 1952.

Section 601 (c) (7) imposed 4 cents excise tax. The 4 cents excise tax was continued from 1932 to 1945. In 1948 it was reduced to 2 cents per pound, but the imposition of the 2 cents tax has been suspended until June 30, 1955.

During World War II copper was imported duty free for Government use. Executive Order No. 9177, dated May 30, 1942.

Public Law 42, 80th Congress, April 29, 1947, suspended duty from date of enactment to March 31, 1949.

Public Law 33, 81st Congress, March 31, 1949, suspended duty from April 1, 1949, to June 30, 1950. Tax effective July 1, 1950, to March 31, 1951.

Public Law 38, 82d Congress, May 22, 1951, suspended duty from April 1, 1951, to February 15, 1953.

Public Law 4, 83d Congress, February 14, 1953, extends to June 30, 1954.

Public Law 452, 83d Congress, June 30, 1954, extends to June 30, 1955.

Senator MALONE. Mr. Chairman, I have a number of tables which are pertinent to this discussion. I would like to list their subjects and ask that they be included in the record:

Tax Amortization Certified for Copper Companies.

Domestic Copper Contracts Involving Loans.

ECA Copper Contracts—Administered in London.

Contracts for Expansion and Maintenance of Supply Copper Under Defense Production Act as Amended in 1953.

The CHAIRMAN. Without objection, they may be included.

(The matter referred to is as follows:)

Tax amortization certified for copper companies

Docket No.	TA No.	Name of company	Amount certified	Percentage	Date certified
124	1547	American Smelting & Refining Co., Silver Bell, Ariz	$10, 855, 800. 00	85	Jan. 4, 1952
156	9805	White Pine Copper Co., Copper Range County, Mich	62, 881, 638. 00	55	Nov. 16, 1951
443	1517	United Mine Operators, Inc., Wickenburg, Ariz	221, 000. 00	75	June 15, 1951
607	2744	Kennecott Copper Corp., Deep Ruth, Nev	3, 987, 910. 00	85	Apr. 4, 1951
852	3957	Phelps Dodge Corp., Cochise County, Ariz	12, 401, 435. 00	75	July 6, 1951
929	4673	San Manuel Copper Corp., Mazma, Ariz	51, 420, 000. 00	75	Dec. 28, 1952
1095	7696	Anaconda Copper Mining Co., Butte, Mont	28, 213, 552. 00	75	Oct. 15, 1951
2212	15905	Bagdad Copper Co., Arizona	11, 134, 207. 00	75	July 15, 1952
2846	24544	Banner Mining Co., Arizona	577, 130. 59	75	Apr. 29, 1953
2866	24943	Copper Creek Consolidated Mining Co., Arizona	150, 000. 00	75	Apr. 21, 1953
	7696	Yerrington, Nev	25, 265, 000. 00	75	

Source: Materials Division, EPS, May 19, 1955.

Domestic copper contracts involving loans (Public Law 774)

Contract No.	Contractor	Product	Amount of loan	Source of loan	Method of loan repayment	Copper production		Price to Government
						Annual	Total	
DMP-83	Banner Mining Co., Tucson, Ariz.	Copper	$473, 665	DMPA advance	3½ cents per pound of copper produced.	*Pounds* 4, 320, 000	*Pounds* 12, 960, 000	*Cents per pound* 31
GS-OOP(D) 12084	Copper Cities Mining Co., Gila County, Ariz.	do	7, 500, 000	RFC	Loan repaid in cash during 1954.	*Short tons* 22, 500	*Short tons* 96, 250	[3] 23
GS-OOP(D) 12190	White Pine Copper Co., White Pine Mich. (Copper Range Co.).	do	66, 395, 600	do	Cash payments as required by RFC.	36, 000	275, 000	[3] 25. 5
DMP-19	San Manuel Copper Co., Pinal County, Ariz.[1]	Copper, molybdenum.	94, 000, 000	do	do	[3] 50, 000 [4] 70, 000	365, 000	[3] 24
DMP-3	Campbell Chibougamau Mines, Ltd., Canada.	Copper	5, 500, 000	Export-Import Bank.	Cash payment as required by Export-Import Bank.	*Pounds* 37, 250, 000	*Pounds* 63, 200, 600	[3] 24. 5
GS-OOP(D) 12095	National Lead Co., Fredericktown, Mo.	Copper, cobalt, nickel.	7, 500, 000	DMPA advance	Cash payments in quarterly installments after commencement of production.	1, 417, 500	7, 087, 500	[3] 24. 4

[1] Wholly owned subsidiary of Magma Copper Co., in which Newment owns 140,000. shares.
[2] As escalated.
[3] 1st year.
[4] After 1st year.

Source: Materials Division, GSA EPS, May 17, 1955.

AMERICAN INCENTIVE DESTROYED BY FREE TRADE

Mr. MALONE. Mr. President, much is being made in newspapers and other means of communication of the point that we do not produce all the copper we need, which has nothing whatever to do with the subject, except that when we adopt a free-trade attitude in the case of a commodity the costs of producing which are greater in the United States than in foreign countries, we remove the incentive to produce more of the article in this country. Not only would we not be likely to produce more, but most likely we would produce less.

In other words, for 22 years, starting with the 1934 Trade Agreements Act, the Congress of the United States has followed a policy which has slowly cut down production in these fields which need the protection of a duty or tariff that would make up the difference between the labor standards here and abroad and the taxes and costs of doing business in this country as compared with those of the chief competitive nations.

FREE TRADE IMPOSES BARRIERS TO AMERICAN INVESTMENTS IN AMERICA

When Congress continually nibbles at this principle it destroys the principle. Then private capital cannot possibly be invested in the business with any assurance of its return unless the Government goes into the business. It is already in the business, but it must continue furnishing money to open up new businesses, just as it gave $94 million through a Government organization to a copper company in Arizona to open up a new deposit.

Those things would not be necessary if the principle of protection had not been destroyed.

Mr. JOHNSON of Texas. Mr. President, if there are no amendments, the bill might be read the third time. Then I will suggest the absence of a quorum, the time for the quorum call to be charged to the time allotted to me.

Following the quorum call, the Senator from Virginia [Mr. BYRD], the chairman of the Committee on Finance, will be prepared to make a brief statement, and the Senator from Nevada will still have 5 minutes remaining.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

Mr. JOHNSON of Texas. Mr. President, if it is agreeable to the Senator from Nevada, I will suggest the absence of a quorum, following which the chairman of the committee will make his statement. The Senator from Nevada may then use his remaining 5 minutes. If he needs an additional 5 minutes, I shall be glad to yield the time to him.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Virginia [Mr. BYRD], the chairman of the Committee on Finance.

Mr. BYRD. Mr. President, I shall make a brief statement in explanation of House bill 5695.

The Committee on Finance, to whom was referred the bill to continue until the close of June 30, 1958, the suspension of certain import taxes on copper, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

H. R. 5695 would amend the act of May 22, 1951, Public Law 38, 82d Congress, as amended, so as to continue through June 30, 1958, the suspension of certain import taxes on copper imposed under section 4541 of the Internal Revenue Code of 1954, formerly section 3425 of the 1939 code. It would continue in effect the provision in Public Law 38 that the President shall revoke the suspension of the import taxes before the specified termination date if the average price of electrolytic copper, delivered Connecticut Valley, for any calendar month falls below 24 cents per pound. The domestic market price of copper has averaged 30 cents per pound from March 1953 through January 1955. The current price is about 36 cents per pound.

TARIFF STATUS

Import taxes on copper have been suspended by congressional action almost continuously since the early part of 1947. Public Law 42, 80th Congress, suspended these import taxes from April 30, 1947, through March 31, 1949; Public Law 33, 81st Congress, extended the suspension through June 30, 1950; Public Law 38, 82d Congress, suspended the import taxes from April 1, 1951, through February 15, 1953; Public Law 4, 83d Congress, amended Public Law 38 to provide for a continuation of the suspension through June 30, 1954; and Public Law 452, 83d Congress, extended the suspension through June 30, 1955. Although congressional action for suspending the import taxes on copper did not become effective until April 30, 1947, practically all imports which entered during the war period were for Government account and were admitted free of the import taxes under other special authority. The import tax on the copper content of copper-bearing scrap metal also has been suspended by other legislative enactments continuously since March 1942; the last act, Public Law 678, 83d Congress, extended the suspension from June 30, 1954, through June 30, 1955.

The import taxes, the suspension of which would be continued with the enactment of H. R. 5695, apply to the copper content of copper-bearing articles, including ores and concentrates, copper mattee, blister copper, refined copper, copper shapes and forms, copper-containing alloys—brass, bronze, bell metal, nickel silver, and phosphor copper—and copper content of all chemicals. The copper content of copper sulfate and of composition metal which is suitable both in its composition and shape, without further refining or alloying, for processing into castings would continue to be subject to the import tax.

Mr. President, I wish to call attention to the further fact that all the departments and agencies of Government dealing with this question advise that they are in favor of the passage of H. R. 5695. That includes the Acting Secretary of State.

In the report, there is a letter from the Acting Secretary of State, addressed to me as chairman of the Finance Committee.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. BYRD. Mr. President, up to this point I have been stating what appears in the majority report, and I ask unanimous consent that the remainder of the report of the committee to which I was referring may be printed in the RECORD at this point.

There being no objection, the remainder of the report was ordered to be printed in the RECORD, as follows:

The import tax on refined copper and on copper-bearing ores, which represent the principal forms in which copper is imported, originally was 4 cents per pound as provided for under the Revenue Act of 1932 (now sec. 4541 of the Internal Revenue Code of 1954). As a result of concessions granted by the United States in the General Agreement on Tariffs and Trade (Geneva), the United States reduced this tax by 50 percent, effective March 16, 1949, to the present rate of 2 cents per pound on the copper content.

UNITED STATES SUPPLY AND REQUIREMENTS

As indicated by data presented in the following table, United States requirements for copper, including withdrawals of copper for the strategic stockpile as well as consumption, have equaled more than half of the total world consumption in recent years. Although the United States is also the world's largest copper producer, its requirements are so large that over one-third of the requirements (about 36 percent in the last 3 years, 1952–54) have been imported. Principal sources of copper imports in the first 11 months of 1954 were Chile (45.0 percent), Canada (14.6 percent), Africa (16.1 percent), Mexico (8.7 percent), and Peru (4.0 percent).

Copper is included in the stockpiling program of the United States as a strategic and critical material.

Unmanufactured copper: World consumption and production, and United States consumption, production, imports, and exports, in specified years 1935 to 1954

[1,000 short tons]

Period	Consumption		Production				United States trade	
	World	United States [1]	World Smelter output	United States			Imports for consumption	Domestic exports
				Primary [2]	Secondary [3]	Total		
1935–39, average	1,697	881	2,162	625	342	967	218	324
1943	[4]	1,992	3,038	1,091	428	1,519	736	177
1946	2,401	1,518	2,070	600	406	1,006	354	54
1947	2,694	1,798	2,491	863	503	1,369	453	149
1948	2,807	1,722	2,579	842	505	1,347	485	147
1949	2,563	1,490	2,601	758	384	1,142	567	146
1950	2,980	1,891	2,916	911	485	1,396	600	155
1951	[5] 3,171	1,828	3,097	931	458	1,389	539	141
1952	[5] 3,278	1,801	3,114	927	415	1,342	[6] 637	[6] 184
1953	[5] 3,168	1,839	3,274	943	429	1,372	[6] 673	[6] 145
1954 [8]	[7] 3,100	1,631	3,200	828	422	1,250	[8] 604	[9] 295

[1] Data are compiled from statistics on production, imports, and exports, and changes in producers' and consumers' stocks, and represent approximate consumption plus withdrawals for the strategic stockpile.
[2] Represents smelter output from domestic ores, concentrates, mine-water precipitates, and tailings.
[3] Represents copper recovered in all forms from old copper and copper-base scrap.
[4] Not available.
[5] Partly estimated by applying to U. S. Bureau of Mines data for the previous year the percentage increase shown by data in 1953 Yearbook, American Bureau of Metal Statistics.
[6] Preliminary.
[7] Estimated from world production and changes in producers' stocks.
[8] Data for December estimated by assuming imports at average monthly average of preceding 11 months; quantity imported during January–November 1954 amounted to 554,000 short tons.
[9] Data for December estimated by assuming exports at average monthly average of preceding 11 months; quantity exported during January–November 1954 amounted to 270 tons.

Source: Consumption and production data from official statistics of the U. S. Bureau of Mines, except as noted; imports and exports from official statistics of the U. S. Department of Commerce.

During 1954, United States supplies (production, imports, and producers' stocks) and requirements for copper (for industrial use and strategic stockpiling) were close to 10 percent below 1953 levels.

Mine output declined in 1954 despite the opening of several new large mines because of voluntary cuts in production by some large companies near the beginning of the year and because of work stoppages, owing to labor disputes, later in the year. (Similar curtailments in copper production occurred in Chile.) In the United States the reduction in production in August, September, and October because of the strikes led the Government to assist inadequately supplied consumers both by release in October of substantial quantities of copper accumulated by the Government under the Defense Production Act and by the diversion of additional quantities scheduled for delivery to the Government in October, November, and December.

Although substantial quantities of copper (including 100,000 tons of accumulated stocks of Chilean copper purchased in May) were purchased by the United States for the strategic stockpile, this was not sufficient to offset the decline in industrial consumption of copper in 1954.

Copper imports in 1954 were about 10 percent below those of 1953.

DEPARTMENTAL REPORTS

This legislation is endorsed by the Departments of Defense, Commerce, State, and Treasury as shown in the following reports received by the chairman:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE, LEGISLATIVE AND PUBLIC AFFAIRS,
Washington, D. C. May 16, 1955.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
United States Senate.

DEAR MR. CHAIRMAN: Reference is made to the request of your committee for the views of the Department of Defense on H. R. 5695, a bill to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

It should be noted that the proposed legislation would extend the suspension of certain import taxes on copper for a period of 3 years, rather than for the usual 1-year period.

At the present time, supplies of domestic copper are sufficient to meet military requirements. However, large quantities of foreign copper must be imported to meet combined military and industrial needs.

Therefore, in consideration of the above, the Department of Defense has no objection to the enactment of the proposed legislation.

The Bureau of the Budget has advised that there is no objection to the submission of this report to the Congress.

Sincerely yours,

RICHARD A. BUDDEKE,
Director, Legislative Programs.

THE SECRETARY OF COMMERCE,
Washington, D. C., May 18, 1955.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your request of May 10, 1955, for the views of this Department with respect to H. R. 5695, an act to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

This Department recommends enactment of this legislation.

At the present time, we are faced with a short supply of copper raw materials, and an unprecedented demand for copper from the automotive and durable goods industries. To meet the supply situation domestic industry normally imports more than one-fourth of the copper which it consumes. The attached table gives the statistics on domestic production and import for the year 1954 and the first quarter of 1955. It appears that domestic requirements for copper will increase and that domestic production cannot be increased correspondingly. Failure to continue the suspension of import duties would not only result in an increase in the price of foreign copper to domestic users but might also result in a loss of imports. In fact, at the present time, imports have decreased to some extent due to the higher European market. Where the need for large quantities of foreign copper is so apparent, it is believed to be essential to encourage the flow of imports by suspending the tariff. This is especially true since the suspension can have no possible adverse effect upon the domestic industry, which has been incapable of producing sufficient refined copper to meet currrent domestic needs.

The provisions of the present law which H. R. 5695 would extend appear to have sufficient safeguards against a reduced demand. If demand falls, the price of copper likewise would fall. If the price goes below 24 cents per pound the tariff would be reimposed automatically by administrative action.

For these reasons we recommend enactment of H. R. 5695.

We have been advised by the Bureau of the Budget that it would interpose no objection to the submission of this letter.

Sincerely yours,

WALTER WILLIAMS,
Acting Secretary of Commerce.

Supply of refined copper

[Thousands of short tons]

	1954					1955, 1st quarter [2]
	1st quarter [1]	2d quarter [1]	3d quarter [1]	4th quarter [2]	1954 year [2]	
Total production and imports	378	458	386	386	1,608	378
Production, domestic ores and scrap	259	268	222	283	1,032	273
Foreign ores	79	110	97	79	365	75
Imports of refined	40	80	67	24	211	30
Foreign copper	119	190	164	103	576	105
Percent of total	31.5	41.5	42.5	26.7	35.8	27.8

[1] Actual reported data.
[2] Estimated by the Copper Division.

DEPARTMENT OF STATE,
Washington, May 11, 1955.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate.

DEAR SENATOR BYRD: I refer to your letter of May 10, 1955, transmitting for the views of the Department of State a copy of H. R. 5695, to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

The requirements of the United States for copper, including defense and stockpiling requirements, substantially exceed domestic production. At current high prices for copper it does not appear that the tax is necessary for the protection of American producers. Under the proposed legislation the tax would apply at prices below 24 cents per pound. The interests of American producers would, therefore, seem adequately protected under a 3-year extension.

Reinstatement of the copper tax when it is clearly unnecessary for the protection of domestic producers would, however, have an adverse effect on our relations with friendly foreign countries, principally Chile, which export copper to us.

The Department, therefore, supports the enactment of H. R. 5695.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

THURSTON B. MORTON,
Assistant Secretary
(For the Acting Secretary of State).

TREASURY DEPARTMENT,
GENERAL COUNSEL,
Washington, D. C., May 18, 1955.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of May 10, 1955, requesting a statement of this Department's views on H. R. 5695, to continue until the close of June 30, 1958, the suspension of certain import taxes on copper. You stated that if the Department's views are the same as those expressed in a report to the Committee on Ways and Means, copies of that report would be satisfactory.

This Department did not submit a written report to the Committee on Ways and Means on H. R. 5695. However, it did report on an identical bill, H. R. 3202. There are enclosed copies of the Department's report on H. R. 3202.

Very truly yours,

DAVID W. KENDALL,
General Counsel.

MARCH 8, 1955.

Hon. JERE COOPER,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of February 2, 1955, requesting a statement of this Department's views on the bill (H. R. 3202) to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

The proposed legislation would amend the act of May 22, 1951 (Public Law 38, 82d Cong.), to continue until June 30, 1958, the suspension of the import taxes imposed by the Internal Revenue Code on articles other than copper sulphate and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings; ingots or similar cast forms. The present suspension will terminate on June 30, 1955.

It is suggested that the bill also provide for the substitution of "section 4541 of the Internal Revenue Code of 1954" for "section 3425 of the Internal Revenue Code" in both places where the latter appears in the act of May 22, 1951.

This Department anticipates no unusual administrative difficulties under the proposed legislation and would have no objection to its enactment.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"ACT OF MAY 22, 1951 (PUBLIC LAW 38, 82D CONG.)

"*Be it enacted, etc.*, That the import tax imposed under section 3425 of the Internal Revenue Code shall not apply with respect to articles (other than copper sulfate and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms) entered for consumption or withdrawn from warehouse for consumption during the period beginning April 1, 1951, and ending with the close of [June 30, 1955] *June 30, 1958: Provided*, That when, for any 1 calendar month during such period, the average market price of electrolytic copper for that month, in standard shapes and sizes, delivered Connecticut Valley, has been below 24 cents per pound, the Tariff Commission, within 15 days after the conclusion of such calendar month, shall so advise the President, and the President shall, by proclamation not later than 20 days after he has been so advised by the Tariff Commission, revoke such suspension of the import tax imposed under section 3425 of the Internal Revenue Code.

In determining the average market price of electrolytic copper for each calendar month, the Tariff Commission is hereby authorized and directed to base its findings upon sources commonly resorted to by the buyers of copper in the usual channels of commerce, including, but not limited to, quotations of the market price for electrolytic copper, in standard shapes and sizes, delivered Connecticut Valley, reported by the Engineering and Mining Journal's 'Metal and Mineral Markets'."

Mr. BYRD. Mr. President, I hope that the Senate will sustain the action of the Senate Finance Committee and of the House, and will vote to pass the bill.

GOVERNMENT PAYS NO TARIFF ON MATERIALS STOCKPILED

Mr. MALONE. Mr. President, I have listened attentively to the distinguished Senator from Virginia, chairman of the Finance Committee [Mr. BYRD].

I wish to say, in the first place, that the Government, in importing any material for its use in stockpiling, does not pay the tariff, regardless of what arrangements have been made before.

If the material is imported by a private company and processed and fabricated for the Government, the private company pays a tariff when the material comes into the country, and it is charged back to the Government when the company gets paid for the processed material. The money goes out of one pocket into another.

FREE-TRADE FALLACIES EXPOSED

There are a couple of fallacies which have been very widely circulated. The first is that if we are to have foreign trade, we must have free trade.

Following the passage of the 1934 Trade Agreements Act, and until the present moment, we have not had the percentage of foreign trade with respect to our exportable goods that existed previous to the enactment of the act. We have always had foreign trade. No individual or nation buys an article from someone else if he himself can produce the article conveniently. When an individual or nation cannot conveniently produce an article, the article will be bought wherever the required grade can be bought at the lowest cost.

That is certainly not true in the case of our country. We have priced ourselves out of the world markets.

THREE COMPANIES DETERMINE HOW MUCH COPPER IMPORTED

This free trade act effectively prevents any independent private investment, demonstrated by the fact that 3 copper companies in the United States, which produce 80 percent of the copper, determine the amount to be imported and the amount to be produced.

The 36-cents-a-pound price is fixed by the companies. So that if an independent investor, desiring to engage in the business, were silly enough to put $10 million or $15 million into the business, and he needed a price of 36 cents a pound to operate, he would suddenly find the price cut to 28, 25, or 20 cents a pound, where it would remain until he was out of business, and then the price would go back to what it was formerly, or higher.

In closing, I wish to call attention to the fact that, regardless of all the talk about free trade, the large copper companies now control the processing copper companies, such as the Chase Brass & Copper Co., the Kennecott Wire & Cable Co., and the American Brass Co.

RELATIONSHIP OF FABRICATING AND PARENT COPPER COMPANIES SHOWN IN TABLE

Mr. President, I have already introduced into the RECORD tables showing that these same copper companies who want the raw material imported free of duty control these fabricating companies producing most of the manufactured and processed copper articles, and that they demand and have established a 15 to 60 percent ad valorem duty or tariff on these articles.

They, like all people, want free trade on what they buy and a tariff on what they sell.

TARIFF ON WHAT THEY SELL AND FREE TRADE ON WHAT THEY BUY

Mr. President, the tariff on processed products varies from 15 to 60 percent ad valorem value on all processed products.

A table showing the tariff or duty on selected processed copper products has already been introduced into the RECORD.

FREE TRADE FOR IMPORTED RAW MATERIALS, PROTECTION FOR PROCESSED PRODUCTS, AIM OF MANY

Mr. President, the tariff on shoe fasteners is from 40 to 60 percent; on dental instruments, from 17½ to 22 percent; on kitchenware brass, table, household, and hospital, 15 percent ad valorem. And so it goes, but they want free trade on the raw material they buy—copper.

Every processed product is protected, but the processor wants the raw material imported free, just as every producer in the United States wants material he desires to buy brought in under free trade, and tariffs applied to products he sells.

The PRESIDING OFFICER. The question is on the final passage of H. R. 5695.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 3 more minutes to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 3 minutes more.

INVESTORS DARE NOT INVEST MONEY UNLESS GOVERNMENT BECOMES FULL PARTNER

Mr. MALONE. Mr. President, just before the quorum call, I had explained that in the case of copper or any other commodity which needs the protection of a tariff, as it is customarily called, in order to make up the difference between the wage standard of living, taxes, and the cost of doing business in the United States, and the corresponding cost in the chief competitive nation, if a free-trade policy is established—which is being done in this case—it means that no independent, private investments will be made in that business unless, generally speaking, the Government provides most of the money. In other words, the investors invented the phrase that "unless the Government becomes your partner, you dare not put your money in the business."

Previously, I pointed out that the Government put $94 million into a copper-development project in Arizona—to which I had no objection, simply because if there is to be free trade it must be financed, at least in part, by the Government, because otherwise no independent private funds will go into the business.

PROTECT ALL AMERICAN INDUSTRIES, RAW MATERIAL, AND PROCESSING ALIKE

I also called attention to the fact that the same companies which are asking for free trade in the case of copper own most of the processing copper companies; and those companies, together with the same companies which want free trade, have in the case of every product they make the benefit of a tariff ranging from 15 to 60 percent ad valorem. Without it, they would not be in business 60 days.

Mr. President, I am in favor of the protection of these fabricated products; and I also favor having a tariff or duty to make up the difference between the wage standard and taxes and cost of

doing business in the United States, and the corresponding cost in the chief competitive nation, in the case of copper since no independent investments will be made in this field without it.

FREE TRADE MAKES NATION DEPENDENT ON FOREIGN AREAS ACROSS MAJOR OCEANS

What the absence of such a tariff or duty is doing, and will continue to do, is to make us dependent upon off-shore areas, across major oceans, for critical materials we must have for peace or war, and then cannot secure them when the war is on. I am referring now to South Africa, where some of the greatest copper deposits in the world are located. That factor alone could lose a war—in addition to destroying the independent investor and workingmen in that field.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back or has expired.

If there be no amendment to be proposed, the question is, Shall the bill pass?

The bill (H. R. 5695) was passed.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2168.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 502, Senate bill 2168, to amend the Fair Labor Standards Act of 1938, in order to increase the national minimum wage, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed unanimous-consent agreement, which I ask to have stated.

The PRESIDING OFFICER. The proposed agreement will be stated.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, during the further consideration of the Senate bill 2168—the Fair Labor Standards Amendments of 1955—debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader; *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

The Chair hears none, and the agreement is entered into.

The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time required be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield 20 minutes to the distinguished Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, yesterday the Committee on Labor and Public Welfare reported Senate bill 2168, a bill to amend the Fair Labor Standards Act of 1938. The bill has been very thoroughly considered. The subcommittee held hearings for nearly 5 weeks and took more than 2,000 pages of testimony and evidence, which it considered. This testimony and evidence are contained in the three volumes which are on the desks of Senators.

We listened to more than 200 witnesses, representing all points of view, and we tried to give every interest a fair opportunity to be heard.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSON of Texas. I am obliged to leave the Chamber temporarily. I should like to ask the Senator from Illinois a question. He has stated that the pending bill was reported from the Committee on Labor and Public Welfare. What was the vote by which the bill was ordered to be reported by the committee?

Mr. DOUGLAS. The final vote was a viva voce vote, and no formal record was made. A previous motion, to establish a wage of 90 cents, had been defeated by a vote of 11 to 2, but no formal record was made of the final vote. It was a voice vote.

Mr. JOHNSON of Texas. For the information of the Senator from Illinois and other Members of the Senate, under the unanimous-consent agreement 1 hour may be taken on each amendment, to be equally divided, and 2 hours on the bill, to be equally divided. It is the plan of the leadership to have the Senate remain in session late this evening, if necessary. So far as I know, there are not many amendments—at least, I hope there are not. There is every reason to believe that it may be possible, if there are not many amendments, to vote on the bill this afternoon. If we are unable to do so, it is my hope that the Senate will convene early tomorrow and try to vote on the bill tomorrow.

The bill represents the overwhelming sentiment of members of the Committee on Labor and Public Welfare, who spent several months considering it. I hope the bill reported by the committee may be passed by the Senate without amendment. If that can be done, I hope it can be done today.

I thank the Senator.

Mr. DOUGLAS. I thank the Senator from Texas. I assure him that I share his hope that the bill may be passed without amendment.

Mr. President, I wish to express my appreciation to the chairman of the Committee on Labor and Public Welfare, the eminent senior Senator from Alabama [Mr. HILL], and other members of the committee; also to members of the subcommittee on both sides of the aisle, who worked very long and faithfully on the bill. I also wish to express my appreciation to the very competent staff which we assembled. The staff not only helped to prepare the brief report which was submitted, but also prepared a very thoroughgoing analysis of the evidence, 10 copies of the proofs of which I have before me. I shall be glad to furnish a copy to any Senator who wishes it. The analysis will be in final form tomorrow.

Mr. HILL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HILL. I deeply appreciate the words of the Senator from Illinois. However, in all frankness and candor, I should say that appreciation should be expressed to the Senator from Illinois for the very exceptional work he has done on the bill. As Senators well know, the reports of the hearings are very voluminous and comprehensive. The Senator and his subcommittee heard about 225 witnesses, from all over the United States, and went into the subject very thoroughly and painstakingly. We know that during a considerable part of the hearings the Senator from Illinois was not well. He has been tortured by a very virulent and tedious ailment. Nevertheless, he has carried on, and he has reported the bill which is now under consideration.

I wish to express to the Senator from Illinois my great appreciation and my hearty congratulations for the exceptionally fine and able task he has performed in bringing the bill before the Senate.

Mr. DOUGLAS. I thank the distinguished Senator from Alabama. It was a great privilege to have a modest share in the preparation of the pending bill. In the words of Justice Holmes "It is extraordinary with what fortitude a man can listen to excessive praise of himself."

The committee has reached the conclusion, after very full consideration of the evidence, that the time has come to increase the basic wage from 75 cents an hour to $1 an hour, and to make this increase effective on the 1st of January 1956.

The committee decided that it would not consider at this time any amendment dealing with coverage or exemptions

from the act. That issue is very complicated and needs a great deal of study; and the committee felt, therefore, that this issue should be postponed. However, it intends to give further study to it, and, as soon as practicable, develop, we hope, a legislative measure which may be presented to Congress early in the next session.

It is proper to ask, What were the considerations which influenced us to recommend a minimum wage of $1 an hour, with coverage unaltered?

In the main, they were two: the increase in the cost of living since the minimum wage was last raised, in 1950, and the increase in productivity since that time. We have analyzed the cost of living index of the Bureau of Labor Statistics very carefully indeed, and we find that that increase since January 1950, is almost precisely 14 percent. On one basis it is 13.6 percent, and on a more refined weighted basis, affecting low-income families, it is 14.1 percent. The general average of 14 percent is probably the closest that can be reached.

If we take the 14 percent increase, it means that now 85½ cents would be the equivalent of 75 cents in January 1950. That is, it would now take 85½ cents to buy the same physical quantity of goods and services which 75 cents could have purchased in 1950.

Therefore, an increase of 10½ cents would be needed to put the worker in precisely the same physical position in which he was more than 5 years ago. However, as we all know, since that time there has been a general increase in physical productivity in industry as a whole and in virtually every individual industry; and up to date there has been a general increase in productivity of approximately 19–20 percent.

We know that since the last amendments to the act went into effect there has been, and until the 1st of January, during the coming 6 months, there will be a continuing increase. Therefore we are perfectly safe in saying that the increase by the first of January will be a little more than 20 percent over the initial period.

We believe that labor, particularly the lower ranks of labor, should share in this increase in productivity, and that it is not fitting for labor merely to stand still, when the economy as a whole is advancing.

If we apply the 20 percent increase either to the original 75 cents or to the 85½ cents, we get a figure somewhere between 99½ cents and $1.02. Therefore we felt that a wage of $1 an hour was completely justified.

Perhaps a question should be raised as to why we did not increase the minimum wage to $1.25. That is what I believe many of the members of the committee desired. It is true that in order to provide what we call a minimum standard of living, even for a single man and a single woman, a wage somewhere between $1.15 and $1.28 would be required. We had great sympathy for such a proposal; but we felt it would impose too great a shock on the economy. A wage of $1.25 an hour would mean an increase of 50 cents, or 67 percent. That would be too severe for many industries and for many firms to absorb.

The present act has a dual purpose: To assure to the workers an adequate standard of living, and not to curtail employment substantially. We were rather loath to go as high as $1.25, lest it have an adverse effect on employment. We believe, therefore, that the recommended increase to $1 is a happy reconciliation of these two purposes. It is our belief that the economy can absorb the recommended increase in the minimum wage.

We have studied the effects of increasing the basic wage from 40 cents to 75 cents in 1950. Such study showed that that increase had very little adverse effect upon employment. It is true that the Korean war began in June, but the amendments to the act went into effect in January. Therefore, there was a period of 6 months during which there was no war stimulation; indeed, we were just emerging from a recession. But in spite of that fact, very little, if any, adverse effect upon employment was noted by the Department of Labor in the very thorough study it made. We believe that the effect of the dollar minimum will be closer to the effect of the increase in 1950 than a 90-cent minimum would be, and that, on the whole, the relative increase in the wage bill in 1950 was closer to the relative increase that would be caused by a dollar wage than by a 90-cent wage.

Therefore, we feel that the dollar wage is superior to the 90-cent wage as a minimum. The 90-cent wage would little more than compensate for the increase in the cost of living since 1950, and would allow a maximum of only 4½ cents an hour for increased productivity, for the elimination of substandard living, and so forth.

The committee feels the American economic system has demonstrated, and will continue to demonstrate, its capacity for continuous growth and development.

In times past the Fair Labor Standards Act has suffered, and perhaps it suffers at this moment, from the fact that revisions are made sporadically. The increase was postponed from 1944 to 1949; therefore, instead of a gradual increase, a jump was then made from 40 cents to 75 cents.

I believe it would have been well, had we been able to do so, to have increased the wage since 1950 and to have taken account both of the increased productivity and the increase in the cost of living which has occurred.

We would like to provide a method of easier transition to higher schedules in the future; and the bill which the committee has reported requires the Secretary of Labor to include in his annual report recommendations for any changes in the amount of the minimum wage which he may deem advisable to make. In making his recommendations, the Secretary is also required, under the bill, to take into consideration any changes which may have occurred in the cost of living, changes in productivity, changes in the levels of wages and manufacturing, the ability of industry to absorb wage increases, and such other factors as he may deem relevant.

We believe this requirement of reporting annually to the Congress and making definite recommendations will make it possible for the Congress to act more quickly in the future than has been the case in the past.

Although the chairman of the subcommittee must confess to the personal belief that perhaps in the future we may want to return to some of the principles established in the original 1938 act and create wage boards to deal with specific industries which may have a greater ability or a lesser ability to increase wages, that, however, is merely the personal opinion of the chairman and is in no sense a recommendation of the committee.

Mr. President, I think I should say a word or two about the problem of Puerto Rico and the Virgin Islands. This was the most perplexing problem with which the committee had to deal. We were torn between two sets of valid considerations. On the one hand, we wished to protect the workers in Puerto Rico from low wages and to improve their condition to the degree that legislation can improve the condition of wage earners. We did not wish the mainland to be subjected to unfair low-wage competition from Puerto Rico. But we were also fully aware that Puerto Rico is faced with a difficult economic problem in that it has a comparatively large population for a relatively small area which is not too fertile; that the pressure of population upon the physical resources of Puerto Rico is great; that the productivity of labor in agriculture is relatively low, and that the population is growing at the rate of from 50,000 to 60,000 a year, since the death rate has decreased from approximately 18 per 1,000 to less than 8 per 1,000 in 15 years, while the birth rate has not changed. We did not wish to impose on Puerto Rico wage standards which would cripple the industry of that Commonwealth, because we know that at least one of the remedies for the situation in Puerto Rico is to have as rapid an industrialization of that country as may be possible.

Minimum wages in Puerto Rico have been set by wage boards which, in general, have operated with great slowness and have established a wide variety of wages, ranging, a few days ago, from 17½ cents an hour in the needle trades up to the full 75 cents provided on the mainland for wages in heavy industries and finance.

On Monday of this week, 2 days ago, the minimum wage in the needle trades, which had been 17½ cents, was raised to 22½ cents. It will, therefore, be seen that as of the present moment the minimum wage in the lowest-wage industry in Puerto Rico is approximately 30 percent of the American minimum. This, I may say, is about the relationship between the average wage in Puerto Rico and the average wage in the United States.

We have made a series of recommendations, after consultation with representatives of Puerto Rico and representatives of the unions, which I think are not satisfactory to either group. The Secre-

tary of Labor of Puerto Rico, Mr. Sierra, has informed me that he cannot support these recommendations either in principle or in respect to the steps in the formula which we have developed. However, I believe our recommendations constitute the best solution we could find.

So the bill provides that, in the case of industries in Puerto Rico whose basic wage has not been increased during 1955, on the 1st of January 1956 wages shall be increased by the same relative amount as the increase in the minimum in this country. Since that increase is 33⅓ percent, namely, from 75 cents to $1, in Puerto Rico a minimum wage of 30 cents would become 40 cents, a wage of 45 cents would become 60 cents, a wage of 75 cents would become $1, and so on. That is to take effect as of the 1st of January 1956.

In the case of industries, notably the needle trades, where an increase has been in effect during 1955, and prior to July 1, 1955, on the 1st of January 1956 there is to be an absolute increase of 7½ cents an hour. That will raise the needlework minimum from 22½ cents to 30 cents an hour.

In the case of 2 or 3 other industries——

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 5 additional minutes to the Senator from Illinois.

Mr. DOUGLAS. In the case of 2 or 3 other industries where the wage will be increased during 1955, but subsequent to July 1, then 1 full year after the new order has gone into effect, the statutory minimum will be raised by one-third. That would mean that industries in which the increase takes place on the 1st of September of this year will have until September 1956, when the wage will go up by one-third.

Finally, there is a target date of January 1, 1958, 2½ years from now, and 2 years after the act goes into effect both in Puerto Rico and on the mainland, when wages in Puerto Rico will be raised above their July 1, 1955, rates by the same absolute amount that the minimum in the United States is raised on the 1st of January 1956, namely, by 25 cents an hour.

In the case of the needle trades in Puerto Rico it will mean that on the 1st of January 1958, the minimum will be 47½ cents an hour.

It will be noted that on the 1st of January 1956, the minimum wage in the Puerto Rican needle industry will still be 30 percent of the United States minimum, but after 2 years the differential is to be reduced, and on the 1st of January 1958, the Puerto Rican minimum will be 47½ percent of the wage which we are now establishing, but we hope and believe that during those 2½ years the actual wages in the United States will go forward.

The intermediary steps between the 33.3 percent increase and the 25-cent increase to be achieved by January 1, 1958, are determined by wage boards. We have cut some of the red tape in connection with the establishment and operation of wage boards which in the past has greatly slowed down procedures.

The bill also provides for the Secretary of Labor to make recommendations to the Congress for slowing down the rate of increase if an unforeseen emergency situation arises.

Mr. President, I think that includes virtually all the substantive features of the bill. I believe it is a good bill, and I hope it will commend itself to the Congress and to the public.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to the senior Senator from New Jersey. How much time does the Senator yield himself on the bill?

Mr. SMITH of New Jersey. I yield myself a half hour; I may not use it all.

The PRESIDING OFFICER. The senior Senator from New Jersey is recognized for 30 minutes.

Mr. SMITH of New Jersey. Mr. President, in opening my remarks, I wish, first, to extend my compliments to the senior Senator from Illinois. He is chairman of the labor subcommittee and was one of the most faithful chairmen I have ever observed conduct a series of hearings. I myself, as a member of the subcommittee, tried, so far as I could, to attend most of the hearings, but I had some obligations in the Committee on Foreign Relations, so I could not always attend the hearings of the labor subcommittee of the Committee on Labor and Public Welfare.

The Senator from Illinois conducted the hearings in the fairest possible way, and assembled a splendid array of witnesses.

I am in accord with most of the bill and report except the figure set for the minimum wage itself. I agree with what the Senator from Illinois has said about the Puerto Rican situation. I especially agree with the suggestion in the report and the provision in the bill itself with regard to a periodical checkup by the Department of Labor and requiring the making of reports and recommendations based on changes in living conditions, changes in productivity, and so forth. I think this is most desirable.

But I admit that I am disturbed by the rate of $1 which has been suggested by the committee. As we all know, a 90-cent minimum wage was the recommendation of the administration, and on January 6 I introduced a bill so providing. So I feel I am justified in saying a word in defense of the position of the administration.

Since the proposal of a $1 minimum wage has been published in the press I have received a good many calls and communications from small-business people, who say that the effect of the difference between 90 cents and $1 will be such as to put some of them out of business and to cause unemployment. It is very hard to dispute that claim.

While I do not attempt to speak dogmatically on the question, I am nevertheless convinced that some business people, especially in my State, are disturbed about the proposed increase in the minimum wage rate to $1. Principally, they are small-business men who are employers of probably 100 persons or less. I have not thought in terms of suggesting any exemptions for small companies, because I do not believe it would be wise to extend the exemption list on the basis of size or any other basis. But I feel that if we are to vote upon a bill providing for a $1 minimum wage we should consider some of the results which might flow from the establishment of such a rate.

It is my purpose, for the RECORD, to make clear my own position and to state why I feel that a minimum wage of $1 would be too high, and why the 90-cent figure would be sounder in light of the whole record which has been made.

The Senate is now considering a review of the level of the minimum wage under the Fair Labor Standards Act as reported by the Committee on Labor and Public Welfare. I want to state briefly why I think that the minimum wage should be raised to 90 cents an hour for all the workers to whom it now applies, as proposed in S. 57, the bill introduced by me on January 6, 1955, and why I am convinced that it would be unsound to attempt raising it to more than 90 cents at this time.

At the outset, I point out that there is apparently a great deal of misunderstanding about the nature and the purpose of the Federal minimum wage. The minimum wage is not meant to be a tool for creating inflation. It is the policy of the Eisenhower administration to stabilize the value of money and to encourage a sound and healthy growth of the American economy. The minimum wage law does not attempt to regulate the entire wage structure of this country. The minimum wage merely sets a floor under wages for covered employment. The minimum wage law certainly is not intended to direct the growth of various branches of industry or to direct the development of various regions of the country. However, to some extent its operation serves to temper the rate at which movement of industry may take place. In this way it moderates too abrupt a change away from any area and helps all parts of the country to move forward.

I think we are all generally agreed that the minimum wage, when properly applied, has a wholesome effect on the entire wage structure.

The basic idea underlying the minimum wage provision is very simple. If a particular job cannot support the minimum wage that the Congress deems suitable and feasible in terms of current economic conditions, then that job is not worth doing. The marketplace does not want it. If the job can support the minimum but is not now doing so, it is the function of the minimum wage to encourage improvement. This clearly implies that the upward pressure exerted by the minimum wage provision must be within the amount that the bulk of the low-wage plants can reach for. If more than that is required by the law, the results would be noncompliance, or layoffs of low-paid workers in large numbers, or business failures among those businesses which must absorb the burden of the increase in the minimum.

The question of the extent to which the minimum wage can be raised must be

answered in terms of how much of a rise can be successfully sustained by low-wage branches of industry and low-wage covered employments generally. This central question must be emphasized, for so much of the talk on the subject of minimum wages has been only indirectly related to the real question. Small business, especially, is vitally concerned with a realistic answer to the basic question.

I am speaking now of small business in my own State particularly.

A few of the basically irrelevant points to which reference has been made are such overall aggregates and averages as total corporate profits, national income, average wages for all manufacturing, the consumer price index, and estimated trends in overall productivity. Upward movements in these yardsticks encourage the belief that the underlying economic situation is favorable to an increase in the minimum wage, but they do not tell us how much the minimum wage can be raised without adverse effects of a serious nature on the earnings of the low-paid workers and the survival of marginal businesses. Changes in the cost of living make it important for us to review the minimum wage. We would certainly want to do everything we can to restore buying power of the minimum wage that was lost in the Korean war inflation. If all of that can be restored without serious harm to the low-paid workers, whom the law is intended to benefit, we should certainly do it. If more than that can be done without such adverse effects we should do more.

We must first determine what proportion of the employees in low-wage branches of industry would have to receive a wage increase in order to bring them exactly to the new minimum, and how much this would add directly to the wage bill of their employers. We have information on what these proportions would be for several low-wage industries. This is available now since there were surveys of wages just before and just after the 75-cent minimum wage became effective on January 25, 1950. These surveys show how much was absorbed in the immediate short-run period. However, longer-run effects of the 75-cent rate were mitigated by the Korean war inflation. In addition to these studies, some surveys were made in 1954 which give us a recent statistical base that is especially valuable since wages in low-wage industries have been relatively stable since these surveys were made.

On the basis of this actual survey information, compiled and released by the Department of Labor, we find that the direct wage-bill impact today of the 90-cent rate which I recommend would be equivalent to the impact in 1950 of the 75-cent rate. An attempt has been made to relate the two figures.

Even considering that impact as justified, we must remember that there were highly favorable factors when the 75-cent rate was introduced that made it relatively easy to sustain. For example, residential construction increased one-third between January 1949 and January 1950. I checked these figures yesterday. This created a strong demand for lumber and was a powerful factor in helping the Southern sawmilling industry to sustain the enormous increase in wages required by the 75-cent rate. That rate was raised from 40 cents to 75 cents, as we know.

Also, the low-wage industries generally were in a favorable position as a result of a vast reserve of consumer purchasing power built up during World War II and the post-war inflation when goods were scarce.

But no increase in construction such as accompanied the introduction of the 75-cent rate can be expected now. There is now no inflationary pressure such as I have just described as of 1950. We must always remember that we do not know what the longer-run effects of the 75-cent rate would have been. Nevertheless, I believe we should attempt the maximum increase that has any reasonable expectation of success.

I believe from my study of the evidence before the committee and from the analysis made by my staff that the increase should be to 90 cents—the figure provided in the bill which I introduced—and no more at this time.

A minimum wage of $1 would have more than double the impact on low-wage industries that the 90-cent rate would have.

It appears, superficially, as though the difference between 90 cents and $1 is not large. But statistics show that a minimum wage of $1 would have a much greater impact on low-wage industries than a 90-cent minimum wage would have.

We cannot forget that anything over 90 cents goes beyond any basis in experience. There is serious danger that more than doubling the impact by moving to a dollar would create serious hardship among the low-paid workers whom the law is intended to help. It also invites added exemptions from the law as an alternative to large-scale unemployment of the low-paid workers.

Raising the minimum above 90 cents may win some public acclaim from some quarters, but not from the low-paid workers who are hurt by it. The man who has lost a job paying a dollar an hour does not benefit after he has been laid off.

So, in concluding these brief observations, I should like to stress four points.

First. As I read the testimony, and as my staff has studied it, a 90-cent minimum wage would have the same impact that the 75-cent minimum had in 1950, except that the favoring circumstances which existed then are not present now. In other words, even the 90-cent minimum wage, which I am advocating and supporting, involves some dangers, if we compare it with the 75-cent minimum wage fixed in 1950.

Second. Establishment of a $1 minimum would create more than double the impact of a 90-cent minimum.

Third. A 90-cent minimum involves dangers, but a $1 minimum could probably not be successfully absorbed. That is what some of us are concerned about. If the $1 minimum could not be successfully absorbed, there might be more layoffs than we should reasonably expect in these good times.

Fourth. Unless a minimum-wage increase can be absorbed, it cannot benefit the low-paid workers for whom it is intended.

So my general conclusion, Mr. President, is that it would seem to be a wiser and safer policy to go more slowly and review the situation periodically, then provide increases paralleling the cost of living and paralleling the ability of small industries to adjust themselves to the increase.

Therefore, I submit the 90-cent rate is the maximum that can be sustained at the present time.

In this connection, Mr. President, I had thought of offering an amendment to the pending bill, in order to test the sentiment in the Senate with regard to the 90-cent rate recommended by the administration. On reflection, I realize a great many Senators are committed to the $1 minimum, and I realize the influence of the recommendation of the committee, so I am not going to offer the amendment. However, I shall offer an amendment, and now send it forward and ask that it lie on the table, to be called up later in the debate. This amendment has the purpose of doing what I set forth at the end of my introductory remarks, when I said it seems to be a wiser and safer policy to go more slowly and review the situation periodically.

The amendment which I intend to offer comes in on page 2, lines 7 and 8, and proposes to strike out the words "by striking out '75 cents' and inserting in lieu thereof '$1' ", and to insert in lieu thereof the following:

To read as follows:

"(1) not less than—

"(A) 90 cents an hour during the calendar year 1956,

"(B) 95 cents an hour during the calendar year 1957, and

"(C) $1 an hour after the calendar year 1957."

Mr. President, the purpose of the amendment is to give industries time to readjust to the change, so that complaint cannot be made by small industries, whose representatives have been calling on me, that fixing the effective date as the 1st of January 1956 does not give them time to readjust. Since the administration recommended a 90-cent minimum, most of them expected that would be the minimum wage, and they have been trying to readjust themselves to that figure. But if the minimum is to be fixed at $1 an hour beginning January 1, 1956, as is recommended by the committee, I am sure certain industries will be in trouble. Therefore I am suggesting that the minimum wage be fixed at 90 cents an hour during the calendar year 1956, at 95 cents an hour during the calendar year 1957, and at $1 an hour after the calendar year 1957.

I offer the amendment and ask that it lie on the table, to be called up later in the debate, after we have heard from other Senators.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The amendment will be received, and will lie on the table.

The bill is open to amendment.

Mr. HILL. Mr. President, on behalf of the majority leader, I yield the distinguished Senator from Illinois 5 minutes.

Mr. DOUGLAS. Mr. President, I wish to thank the able Senator from New Jersey [Mr. SMITH] for the complimentary personal references to me, and to say that although the Senator from New Jersey was burdened with a very heavy load of work as a member of the Committee on Foreign Relations, the subcommittee considering the pending bill benefited from his presence and from his advice and assistance.

There are some points which the Senator from New Jersey has raised which should be answered in order that the record may be complete. The first is as to the relative scope and effect of the 90-cent-an-hour impact and that of the $1 minimum. Based on the distribution of actual earnings in April 1954, the introduction of a minimum wage of 90 cents an hour would directly increase the wages of only 1.3 million workers in this country, of whom an even 1 million would be in manufacturing, and the total direct increase in wages would amount to only $220 million, or three-tenths of 1 percent of the total wage.

On the same basis, the $1 minimum would increase wages for 2,100,000 workers, of whom 1,600,000 would be in manufacturing. It would effect a direct increase in wages of $560 million, or about seven-tenths of 1 percent of the total wage bill in covered employment.

Of course, there would be an indeterminate amount of indirect increase which such an increase would call into play. It would be of unknown magnitude, but as to certain cases we have checked, it would amount to about 20 percent of the direct benefit.

The Senator from New Jersey has stressed, as has the Department of Labor, the claim that the fixing of a 90-cent an hour minimum wage would have an effect more nearly approximating the rather successful effect of increasing the minimum in 1950, than would the fixing of a $1 minimum. The actual figures do not support this contention.

As a result of the 75-cent-an-hour minimum which was made effective in January 1950, the percentage of increase in wages in southern sawmills was 14 percent. There would be a 9-percent increase as a result of the proposed 90-cent minimum wage this year, or 5 percent less than occurred in January 1950. An increase in the minimum wage to $1 would cause an increase of 18 percent, or 4 percent more than in January 1950.

In establishments making men's dress shirts and nightwear, which is another low-wage industry, the increase in direct wages, as a result of the 1950 minimum wage, was 5 percent. The 90-cent minimum wage would increase wages by 3 percent. The $1 minimum would increase wages by 7 percent. So that in this case one minimum is over by the same amount that the other is under.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am happy to yield to the Senator from Kentucky.

Mr. BARKLEY. I suppose it may be an oversimplification, but in order to arrive at the net result of the legislation now proposed, I think it is desirable that we consider the results from a weekly basis. A minimum wage of $1, for an 8-hour day, and a 40-hour week, would mean $40 a week for a man who is working. Roughly, that is $160, or a little more, a month.

Mr. DOUGLAS. Or about $2,000 a year.

Mr. BARKLEY. Yes. It is rather difficult for me to conceive how any man with a family can maintain himself and his family on such a salary, in view of the high cost of rent, food, clothing, and everything else, which we all recognize, and of which we are all victims.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. DOUGLAS. Mr. President, I request 5 minutes more.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes more to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for another 5 minutes.

Mr. BARKLEY. Mr. President——

Mr. DOUGLAS. Mr. President, I yield further to the Senator from Kentucky.

Mr. BARKLEY. I thank the Senator from Illinois.

Mr. President, let me say that it is hard to conceive how the head of a family could, on that wage, support his family, much less have anything left for luxuries or for anything beyond the bare necessities of life.

Mr. DOUGLAS. The answer is that the head of a family cannot support his family on such a wage. We have the benefit of studies which have been made in 34 cities. From those studies it is found that the cost of supporting a family of 4 ranges from about $3,700 to $4,300, at a minimum standard. The proposed minimum wage per hour, on the basis of 2,000 hours, would not enable a man to support a family, and not even support himself.

Mr. BARKLEY. The 90 cents an hour proposal submitted by the Senator from New Jersey would provide approximately $36 a week, instead of $40 a week.

Mr. DOUGLAS. That is correct.

Mr. BARKLEY. And for a month of 4 weeks, let us say, it would amount to $16 less, or approximately $192 less a year.

Mr. DOUGLAS. Or a total of about $1,800 for a 2,000-hour year.

Mr. BARKLEY. Yes. So, looking at it from the standpoint of the bare necessities—and every man who is responsible for the support of a family wants for them a little more than the bare necessities—it does not appear that we would be justified in reducing the minimum provided in the bill from $1 to 90 cents an hour.

Therefore, Mr. President, as for myself, I shall be compelled to vote against any such amendment, if one is offered.

Mr. DOUGLAS. I thank the Senator from Kentucky.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD three tables. One of them shows the estimated annual costs in 34 large cities as of October 1951, in the case of a city worker's family budget for four persons. Another table shows the cost of maintaining a self-supporting woman without dependents—and it would cost a man about as much; and the third table shows the average hourly earnings needed to earn the required amount, indicated by this second table.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Estimated annual costs in city worker's family budget for 4 persons, 34 large cities, October 1951*

City	Total October 1951 budget	March 1955
New Orleans, La	$3,812	$3,887
Kansas City, Mo	3,960	4,038
Mobile, Ala	3,969	4,047
Scranton, Pa	4,002	4,080
Portland, Maine	4,021	4,100
Indianapolis, Ind	4,044	4,127
Savannah, Ga	4,067	4,147
Philadelphia, Pa	4,078	4,158
New York, N. Y	4,083	4,163
Manchester, N. H	4,090	4,170
Cleveland, Ohio	4,103	4,183
St. Louis, Mo	4,112	4,193
Buffalo, N. Y	4,127	4,208
Norfolk, Va	4,146	4,227
Portland, Oreg	4,153	4,234
Minneapolis, Minn	4,161	4,243
Chicago, Ill	4,185	4,267
Memphis, Tenn	4,190	4,272
Detroit, Mich	4,195	4,277
Denver, Colo	4,199	4,281
Jacksonville, Fla	4,202	4,284
Pittsburgh, Pa	4,203	4,285
Cincinnati, Ohio	4,208	4,290
Baltimore, Md	4,217	4,300
Boston, Mass	4,217	4,300
Birmingham, Ala	4,252	4,335
San Francisco, Calif	4,263	4,347
Seattle, Wash	4,280	4,364
Houston, Tex	4,304	4,388
Los Angeles, Calif	4,311	4,395
Atlanta, Ga	4,315	4,400
Richmond, Va	4,338	4,423
Milwaukee, Wis	4,387	4,473
Washington, D. C	4,454	4,541

Source: Appendix III, table XIX.

TABLE 2.—*Current annual earnings required to earn an amount sufficient to maintain a self-supporting woman without dependents*

State	Date	Annual budget	Subsequent change in living costs	Current annual costs
(1)	(2)	(3)	(4)	(5)
New Jersey	October 1954	$2,933	−0.2	$2,927
Washington	May 1952	2,664	+1.2	2,695
New York City.[1]	September 1954	2,488	−.3	2,479
Utah	October 1950	2,230	+8.9	2,428
Maine	December 1950	2,236	+6.9	2,391
Pennsylvania	November 1949	2,121	+12.5	2,386
Arizona [2]	February 1954 [2]	[2] 2,312	[2] −.6	[2] 2,298
Kentucky	February 1949	1,992	+12.5	2,245
District of Columbia.	May 1953	2,209	+.3	2,211
California	October 1950	2,004	+8.9	2,182
Connecticut	March 1949	1,867	+12.2	2,094
Colorado	January 1949	1,813	+11.3	2,018
Massachusetts	February 1954	1,967	−.6	1,961

[1] New York City budget is lower than the New York State budget.
[2] Median.

TABLE 3.—*Average hourly earnings needed to earn the required amount*

State	50 weeks at 40 hours	45 weeks at 40 hours	40 weeks at 40 hours
New Jersey	$1.46	$1.63	$1.83
Washington	1.35	1.50	1.68
New York	1.24	1.38	1.55
Utah	1.21	1.35	1.52
Maine	1.20	1.33	1.49
Pennsylvania	1.19	1.33	1.49
Arizona [1]	[1] 1.15	[1] 1.28	[1] 1.44
Kentucky	1.12	1.25	1.40
District of Columbia	1.11	1.23	1.38
California	1.09	1.21	1.36
Connecticut	1.05	1.16	1.31
Colorado	1.01	1.12	1.26
Massachusetts	.98	1.09	1.23

[1] Median.
Source: Appendix II, tables V–XVI.

Mr. KENNEDY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. KENNEDY. The figures in the tables also show that there is not the tremendous variance between the cost of living in the North and the cost of living in the South there sometimes is said to be. For instance, I believe the figures show that, according to the Bureau of Labor Statistics, it costs more to live in Birmingham, Ala., than it does to live in Boston, Mass. I believe a similar situation is shown as between various other areas in the North and in the South.

Mr. DOUGLAS. The Senator from Massachusetts is correct. The index shows that as of March 1955, the cost for a family of 4 in Boston, Mass., would have been $4,300; and that with the same items, in the case of a family budget for 4 persons in Birmingham, Ala., the cost would be $35 more, or $4,335. So the Senator from Massachusetts is correct.

Mr. KENNEDY. I thank the Senator from Illinois.

Mr. DOUGLAS. Furthermore, as we suspect, Washington, D. C., seems to be the highest-living-cost city in the country.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Illinois yield to me for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. SMITH of New Jersey. I ask the chairman of the subcommittee this question: Did not we discover that if we tried to obtain a figure which would take care of a family of four, we would have to increase the amount to $2-plus, or something of the sort?

Mr. DOUGLAS. That is correct.

Mr. SMITH of New Jersey. So we cannot consider the proper minimum-wage figure from that point of view.

Mr. DOUGLAS. But we should get closer to it.

Mr. SMITH of New Jersey. But if we get closer to it, some men will not have jobs, because some plants will be closed.

The information I have obtained from the Department of Labor and from some economists I know is that we are on very dangerous ground if we go above 90 cents an hour in setting the minimum wage.

But I do not wish to labor the point, because I know the Senator from Illinois has come to a different conclusion, and I certainly respect his views and his judgment.

Mr. DOUGLAS. I thank the Senator from New Jersey.

Mr. President, I say that if we consider merely the amount required to maintain a single woman for 50 weeks a year, at the rate of 40 hours a week, or a total of 2,000 hours, the average for 13 States would be $1.15 an hour; and for a single man, the amount would presumably be at least that much.

Certainly we would not maintain ethically that the head of a family should receive only enough to support himself, because there must be a surplus over and above that amount, in order to provide for meeting the family burdens.

So we feel that the estimate of $1 is extremely conservative, and that 90 cents an hour would fall very far short of the mark.

The PRESIDING OFFICER. The time of the Senator from Illinois has again expired.

Mr. DOUGLAS. Mr. President, I do not wish to take too much time, but I desire to deal with some of the contentions which have been made by the Senator from New Jersey.

Mr. JOHNSON of Texas. Mr. President, does the Senator from Illinois desire to have more time?

Mr. DOUGLAS. I should like to have 5 minutes more.

Mr. JOHNSON of Texas. Mr. President, I shall be delighted to yield the entire hour to the Senator from Illinois. However, he has already had 35 minutes, whereas the other side has used only 14 minutes. I understood that the Senator from New Jersey [Mr. SMITH] would speak for 30 minutes; but after speaking for only 14 minutes, he yielded back the remainder of his time.

At this rate, the Senator from Illinois will find himself in the position of having used all the time available on his side of the question, and with the remaining time available to the other side having been yielded back.

Mr. DOUGLAS. Mr. President, I wish to reply to the intellectual arguments which have been made, so that the RECORD will be complete and the public may know why we have acted.

Mr. JOHNSON of Texas. Mr. President, how much more time does the Senator from Illinois need?

Mr. DOUGLAS. Mr. President, if the Senator from Texas will yield just a further moment to me——

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. I wish to have printed at this point in the RECORD a table showing that the total effect of a $1 minimum wage would be very slight, even in the case of low-wage industries. For instance, if we consider the labor cost as a percentage of sales value and the ordinary retail markup, in the case of the southern sawmills, we find that the increase in retail price, due to a minimum wage of $1, assuming no compensating factors of any kind, would be only 3.84 percent; in the case of work clothing, it would be only 1.86 percent; in the case of men's and boys' dress shirts, it would be only 1.26 percent; and in the case of men's seamless hosiery, it would be only 1.29 percent.

I believe that all this evidence taken together indicates that, in all probability, the general economic effect of a $1 minimum wage would be good, and that it would have very few, if any, injurious effects.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*4 recently surveyed low-wage industries in which the wage bill would increase by 5 percent or more*

(1)	(2)	(3)	(4)		(5)	(6)	(7)			(8)	(9)	
Industry	Percent of workers below $1	Total number of workers in industry	Increase in direct wage bill		Allowance for indirect increase, percent	Labor cost as percentage of sales value	Percentage increase in sales value of manufactures due to minimum wage of $1			Estimated retail markup, percent	Estimated markup as percentage of wholesale price	Increase in price due to minimum wage of $1 assuming no compensating factors of any kind, percent
			Percent	Millions of dollars			Direct increase	Indirect increase	Total			
Southern sawmills	84	171,000	18	49	20	25	4.54	0.91	5.44	30	42	3.84
Work clothing	67	66,000	11	13	20	20	2.2	.44	2.62	30	42	1.86
Men's and boys' dress shirts	46	89,000	7	12	20	22	1.75	.35	2.10	40	67	1.26
Men's seamless hosiery	45	32,000	6	4	20	30	1.80	.36	2.16	40	67	1.29

Sources: Department of Labor, Wage and Hour Division; Department of Commerce, Bureau of the Census, Census of Manufactures 1938 and 1947 and 1953 Annual Survey of Manufactures, Series MAS-53-5, Feb. 14, 1955.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. To which side will the time required for the quorum call be charged?

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the time required for the quorum call not be charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. KNOWLAND. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I understand that the distinguished Senator from New Jersey [Mr. SMITH] has an amendment he wishes to offer.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded.

Mr. SMITH of New Jersey. Mr. President, on behalf of the distinguished Senator from Delaware [Mr. WILLIAMS]

and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The CHIEF CLERK. On page 2, lines 7 and 8, it is proposed to strike out "by striking out '75 cents' and inserting in lieu thereof '$1' ", and to insert in lieu thereof the following:

To read as follows:

"(1) not less than—

"(A) 90 cents an hour during the calendar year 1956,

"(B) 95 cents an hour during the calendar year 1957, and

"(C) $1 an hour after the calendar year 1957."

Mr. JOHNSON of Texas. Mr. President, I have an agreement with the distinguished Senator from New Jersey that I will yield back the remainder of my time, with the exception of 3 minutes, with the understanding that he will do likewise.

Mr. SMITH of New Jersey. I am glad to agree to that arrangement.

Mr. JOHNSON of Texas. The Senator from New Jersey has 3 minutes to explain his amendment.

Mr. SMITH of New Jersey. Mr. President, my amendment speaks for itself. In my statement a few minutes ago I referred to my feeling that it was dangerous to go beyond 90 cents. I suggested that the approach to the minimum-wage question should be in successive steps, so that those who will be required to make adjustments may have more time. Therefore my amendment calls for a rate of 90 cents during the calendar year 1956, 95 cents the calendar year 1957, and $1 thereafter. So, under my amendment, the $1 figure upon which the committee agreed and which it recommends would be reached, but it would be reached in successive stages.

I yield 1 minute of my time to the distinguished Senator from Delaware.

Mr. WILLIAMS. Mr. President, I am glad to associate myself with the Senator from New Jersey as a cosponsor of this amendment. I recognize that while a rate of 90 cents might be low, yet a job at 90 cents an hour is better than no job at $1 an hour. I feel that if we make the minimum wage too high, many men will find themselves out of jobs.

Personally, I am very much concerned that what we are doing here, instead of helping labor as they think, will in the long run actually hurt in that it only further contributes to the inflationary spiral now underway in this country. Temporary wage increases sound attractive, but unless they can be passed on into increased purchasing power they are false.

The large employers, represented by big business, are not affected by what we do here today. Their wage scale is already substantially above the minimum proposed, but our actions can and will have an adverse effect upon many small-business men, their employees, as well as our farmers throughout the country.

I think this amendment which I have joined with the Senator from New Jersey in offering represents more than a reasonable compromise in its approach.

There is a great danger that unless we are careful we can price the small employer and his employees out of the market.

I hope that this modification will be accepted.

Mr. SMITH of New Jersey. Mr. President, I yield 1 minute of my time to the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. Mr. President, I should like to make my own position on this subject clear. During the hearings I conferred repeatedly with my distinguished colleague, the chairman of the subcommittee [Mr. DOUGLAS] and stated my own position.

I do not believe that the unorganized and more sparsely populated areas of the country have been properly taken into consideration in determining the amount which should be the minimum wage. I favor the 90-cent figure, but I realize that there is very little prospect of such a measure passing this body. I therefore associate myself with my distinguished colleague, the Senator from New Jersey [Mr. SMITH] in his amendment.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I yield myself such time as I may require.

The committee considered this question long and thoroughly. I am hopeful that we shall not start amending the bill.

I yield back the remainder of my time, and ask for a vote.

The PRESIDING OFFICER. Does the Senator from New Jersey yield back the remainder of his time?

Mr. SMITH of New Jersey. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been used or yielded back. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. SMITH] for himself and the Senator from Delaware [Mr. WILLIAMS].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. BUSH subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, before the vote on the minimum wage bill, a letter I have received from Mildred P. Allen, secretary of state of Connecticut, and House Joint Resolution 30, of the Legislature of Connecticut, memorializing Congress to enact legislation to increase the Federal minimum wage rate.

There being no objection, the letter and joint resolution were ordered to be printed in the RECORD, as follows:

JUNE 7, 1955.

Hon. PRESCOTT BUSH,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: By command of the General Assembly of the State of Connecticut, I am transmitting to you a copy of House Joint Resolution 30, memorializing Congress to enact legislation to increase the Federal minimum wage rate.

Sincerely yours,

MILDRED P. ALLEN,
Secretary of State.

House Joint Resolution 30

Resolution memorializing Congress to enact legislation to increase the Federal minimum wage rate

Whereas in today's highly competitive struggle for markets, Connecticut manufacturers are faced with unfair competition from a few States and areas with wage rates far below the national average; and

Whereas such large differentials present a serious threat to established industry in other parts of the Nation, particularly where labor is an important factor; and

Whereas the Connecticut textile industry has been especially hard hit by ruinous price competition based on low wage rates at a time when the industry nationally has been in a serious slump causing severe unemployment and wage cuts; and

Whereas extremely low wage rates in any part of the Nation are a drag on the entire national economy, reducing employment and income levels at a time when increased consumer purchasing power is essential to national economic health;

Resolved, That the general assembly now respectfully calls these facts to the attention of the Congress of the United States, and urges the immediate enactment of legislation to increase the Federal minimum wage rate to at least $1 per hour; and be it further

Resolved, That the Senators and Representatives from the State of Connecticut in the Congress of the United States are urged to use their best efforts in this behalf; and be it further

Resolved, That the secretary of state is hereby authorized and directed to transmit to the presiding officers of both branches of Congress and to the Senators and Representatives from the State of Connecticut in the Congress of the United States, duly certified copies of this resolution.

Passed house as amended, May 27, 1955.
Passed senate as amended, May 26, 1955.

In testimony whereof, I have hereunto set my hand, and affixed the seal of said State, at Hartford, this 7th day of June A. D. 1955.

MILDRED P. ALLEN,
Secretary of State.

Mr. KNOWLAND. Mr. President, unless there is a desire on the part of other Senators to speak on the bill, I am prepared to yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been used or yielded back.

The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2168) was passed, as follows:

Be it enacted, etc., That this act may be cited as the "Fair Labor Standards Amendments of 1955."

SEC. 2. Subsection (d) of section 4 of the Fair Labor Standards Act of 1938, as amended, is amended by adding at the end thereof the following: "Such report shall contain an evaluation and appraisal by the Secretary of the prevailing minimum wages established by this act, together with his recommendations to the Congress for any changes in such amounts as he may deem desirable. In making such evaluation and appraisal, the Secretary shall take into consideration any changes which may have occurred in the cost of living and in productivity and the level of wages in manufacturing, the ability of industries to absorb wage increases, and such other factors as he may deem pertinent."

SEC. 3. Effective January 1, 1956, paragraph (1) of subsection (a) of section 6 of such act is amended by striking out "75 cents" and inserting in lieu thereof "$1".

SEC. 4. Subsection (c) of section 6 of such act is amended to read as follows:

"(c) The provisions of paragraph (1) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands engaged in commerce or in the production of goods for commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to section 8 of this act."

SEC. 5. Effective July 1, 1956, subsection (a) of section 8 of such act is amended by inserting at the end thereof the following: "Minimum rates of wages established in accordance with this section shall be reviewed by such a committee at least once each fiscal year."

SEC. 6. Subsection (d) of section 8 of such act is amended by striking out the second sentence and inserting in lieu thereof the following: "Upon the filing of such report, the Secretary shall publish such recommendations in the Federal Register and shall provide, under appropriate regulations or by order, a reasonable period in which interested persons may submit affidavits with respect to facts and file written statements of views or contentions on matters of law or fact which the Secretary is required by this section to consider in acting on such recommendations, and a reasonable further period in which such persons, before the effective date of any order or orders proposed by the Secretary to carry such recommendations into effect, may file exceptions to the order or orders proposed. After the termination of such periods the Secretary shall by order approve and carry into effect the recommendations contained in such report, if he finds that the recommendations are made in accordance with law, are supported by the evidence, and, taking into consideration the same factors as are required to be considered by the industry committee, will carry out the purposes of this section; otherwise he shall disapprove such recommendations."

SEC. 7. Section 8 of such act is further amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting a new subsection (e) as follows:

"(e) Notwithstanding the preceding provisions of this section the Secretary of Labor shall issue such orders as may be necessary in order that minimum rates of wages to be paid under section 6 by employers in Puerto Rico or the Virgin Islands or in Puerto Rico and the Virgin Islands shall—

"(1) in the case of any such rate which has not been increased during the calendar year 1955, be increased effective January 1, 1956, by an amount equal to 33⅓ percent of such rate;

"(2) in the case of any such rate which has been increased during the calendar year 1955, be increased to the extent necessary in order that such rate shall, effective January 1, 1956, be 7½ cents an hour greater than it was on July 1, 1955, and shall, effective 1 year after the effective date of the last increase in such rate during the calendar year 1955, be 33⅓ percent greater than it was on July 1, 1955; and

"(3) in the case of all such rates, be increased to the extent necessary in order that any such rate shall on January 1, 1958, be 25 cents an hour greater than it was on July 1, 1955.

In computing rates to be established in accordance with this subsection, the Secretary shall, if the amount of such rate is not a multiple of one-half cent, increase or decrease such amount to the next multiple of one-half of 1 cent, except that multiples of one-quarter of 1 cent shall be increased to the next multiple of one-half of 1 cent."

SEC. 8. The Secretary shall submit a special report to Congress after January 1, 1957, but not later than June 1, 1957, with respect to the operation of the amendments made by this act affecting minimum wage rates in Puerto Rico and the Virgin Islands, and such report shall include an appraisal of the progress being made toward the achievement of the 25 cents per hour increase in minimum wage rates provided for in section 8 (e) (3) of the Fair Labor Standards Act of 1938, as amended by this act.

SEC. 9. The first sentence of subsection (a) of section 10 of such act is amended to read as follows: "Any person aggrieved by an order of the Secretary issued under section 8 of this act (other than an order so issued under subsection (e) thereof) may obtain a review of such order in the United States court of appeals for any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Secretary be modified or set aside in whole or in part."

SEC. 10. The term "Secretary" as used in this act and in amendments made by this act means the Secretary of Labor.

Mr. NEELY. Mr. President, this has been a senatorial red letter day for labor. With a minimum of debate, a maximum of efficiency and a majestic measure of humanity, we have amended the Fair Labor Standards Act by increasing the minimum wage from 75 cents to a dollar an hour. This action will cause rejoicing in thousands of American homes, happiness in tens of thousands of American hearts, and an increase in prosperity and the promotion of the general welfare all over the land.

Mr. HUMPHREY. Mr. President, will the Senator from West Virginia yield to me at this point?

Mr. NEELY. I gladly yield.

Mr. HUMPHREY. I wish to join with my friend, the great Senator from West Virginia, in heralding this occasion, namely, the passage of a fair labor-standards bill which provides $1 an hour as a minimum wage. Some of us had hoped the amount would be somewhat larger. But, surely, by this very decisive action in the Senate, we have raised the economic levels of vast numbers of persons in the United States.

Furthermore, I wish to compliment the Committee on Labor and Public Welfare for reporting the bill. As the Senator from West Virginia, who is a member of the committee, knows, there were many controversies over the terminology and details of the bill.

I think we owe an especial debt of gratitude to the Senator from Illinois [Mr. DOUGLAS], who was chairman of the subcommittee which handled and processed the minimum-wage proposal; and we also wish to extend the same commendation to the other members of the subcommittee who sat through the hearings.

I know that the working people of the State of Minnesota will be pleased to know that the Senate of the United States has now gone on record in favor of a minimum wage of $1 an hour. I think it is one of the best psychological answers we can give to people throughout the world concerning what the Congress thinks in terms of the men and women who work in the shops and the mines and the factories, whether organized or unorganized. Of course, this forward step is particularly important to the unorganized workers, inasmuch as the organized workers have already been able, through collective bargaining, to improve their economic position.

I also wish to thank the distinguished senior Senator from Texas [Mr. JOHNSON], the very able majority leader, for giving us his guidance and help in connection with this measure and, in fact, for providing for the action here on the floor of the Senate which brought about this result quickly and affirmatively, so there is no shadow of doubt where the Senate stands.

Mr. NEELY. Mr. President, let me wholeheartedly concur in the expressions of gratitude to the able Majority Leader. The distinguished Senator from Minnesota [Mr. HUMPHREY] is not the only one who hoped that the minimum wage would be increased to more than a dollar an hour. A number of the members of the Committee on Labor and Public Welfare, of which I was one, voted to increase the minimum to $1.25 an hour. But a majority of the committee were apparently of the opinion that it would be impossible to obtain final approval of an increase to more than a dollar.

Let me sincerely congratulate the eminent junior Senator from Massachusetts [Mr. KENNEDY] upon returning to Washington in unusual and difficult circumstances to vote for the bill in question, first in the committee and later on the Senate floor.

Mr. KENNEDY. Mr. President, I should like to express my appreciation to the Senator from West Virginia [Mr. NEELY] for his very kind remarks.

In January 1953 I introduced the first $1 minimum-wage bill. I had hoped the minimum wage would be set at $1.25, and that the coverage would be extended. But I did not think it would be possible to have such a bill passed at this time by the Congress.

I hope additional consideration will be given to this subject next year or the year thereafter.

I should like to associate myself with the remarks of the Senator from Minnesota [Mr. HUMPHREY] in regard to the very outstanding work the distinguished senior Senator from Texas [Mr. JOHNSON] has done this week. On Monday we passed an appropriation bill providing additional funds for health research, an extremely important matter. On

Tuesday we passed the housing bill, which provides for 135,000 housing units—the number which, since 1945, we have been talking about as being needed each year.

Today we have passed the bill increasing the minimum wage to $1 an hour—a most important piece of legislation. In fact, all three of these bills are most important and very liberal.

So it is, Mr. President, that the distinguished senior Senator from Texas deserves the congratulations of all of us.

Mr. MANSFIELD. Mr. President, I wish to concur in the remarks of the Senator from Massachusetts, who, under great difficulties, returned to participate in the voting, today, on the bill which raises the minimum wage from 75 cents to $1 an hour.

I also wish to join the distinguished Senator from West Virginia [Mr. NEELY] and the distinguished Senator from Minnesota [Mr. HUMPHREY], as well as the Senator from Massachusetts [Mr. KENNEDY], in commending the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], for the fine organizational ability he has shown and for making it possible to have the Senate act on this measure without undue or prolonged debate. I also wish to congratulate him because of the fact that we were able to show to the country that on an occasion such as this, as well as on many other occasions, we are able to do what we think best for the welfare of the Nation as a whole, and to do it quietly and cooperatively.

Mr. JOHNSON of Texas. Mr. President, first of all, I wish to express my deep appreciation to all my colleagues who have been so generous to me, particularly the Senator from West Virginia [Mr. NEELY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Montana [Mr. MANSFIELD].

I should like to observe—and I particularly ask the attention of the Senator from Massachusetts [Mr. KENNEDY]—that after his recounting of the major legislation we have passed this week, it should be pointed out that if we could do that in the first week of his return to the Senate, it is wonderful to contemplate what we shall be able to do from now on, with his continued attendance.

Mr. KENNEDY. I thank the Senator from Texas.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 600) to amend title 18 of the United States Code, relating to the mailing of obscene matter, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, each with an amendment, in which it requested the concurrence of the Senate:

S. 1747. An act to increase the public benefits from the National Park System by facilitating the management of museum properties relating thereto; and

S. J. Res. 62. Joint resolution dedicating the Lee Mansion in Arlington National Cemetery as a permanent memorial to Robert E. Lee.

The message further announced that the House had agreed to the amendments of the Senate to the amendment of the House to the bill (S. 654) to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5085) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 6, 8, 11, 21, 34, 36, 38, 46, and 47 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 18 and 24 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate numbered 14 and 15 to the bill.

The message also further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 619. An act to provide that all United States currency shall bear the inscription "In God We Trust";

H. R. 1015. An act for the relief of Mr. and Mrs. Derfery William Wright;

H. R. 1216. An act for the relief of Cathryn A. Glesener;

H. R. 1219. An act for the relief of the estate of Mrs. Margaret A. Swift;

H. R. 1245. An act for the relief of Marianne Anita Zelinka;

H. R. 1275. An act for the relief of Gennaro Savarese;

H. R. 1447. An act for the relief of Aleksandra Borkowski;

H. R. 1463. An act for the relief of Rudolfo M. Gomez (Capaz);

H. R. 1488. An act for the relief of Mrs. Esther Reed Marcantel;

H. R. 1537. An act for the relief of Rogerio Santana de Franca;

H. R. 1538. An act for the relief of Jean Isabel Hay Watts;

H. R. 1540. An act for the relief of Mrs. Joan Craig Newell;

H. R. 1541. An act for the relief of Mrs. Maria Dicran Simon;

H. R. 1549. An act for the relief of Salvacion Carbon;

H. R. 1551. An act for the relief of Gualberto Estralla Alabastro, Pura Zarco Alabastro, and Arlene Alabastro;

H. R. 1552. An act for the relief of Dalisay Lourdes Cruz;

H. R. 1648. An act for the relief of Sister Luigia Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino;

H. R. 1661. An act for the relief of Kim Dong Su;

H. R. 1693. An act for the relief of Barbara Knape;

H. R. 1708. An act for the relief of Eugene Albert Bailly;

H. R. 1739. An act for the relief of William J. Bohner;

H. R. 1750. An act for the relief of Elena Gigliotti;

H. R. 1768. An act for the relief of the Jefferson and Plaquemines Drainage District and certain persons whose properties abut on the Federal Government's right-of-way for Harvey Canal in Louisiana;

H. R. 1883. An act for the relief of Margarete Gartner;

H. R. 1963. An act for the relief of Mr. and Mrs. Clarence M. Augustine;

H. R. 1997. An act for the relief of Linda Beryl San Filippo;

H. R. 2073. An act for the relief of Bengt Wikstam;

H. R. 2274. An act for the relief of Alejandro Florentino Munoz;

H. R. 2495. An act for the relief of Antoni Rajkowski;

H. R. 2721. An act for the relief of Mihai Indig;

H. R. 2724. An act for the relief of Miss Elvira Bortolin;

H. R. 2756. An act for the relief of Frank Scriver;

H. R. 2791. An act for the relief of Ofelia Martin;

H. R. 2911. An act for the relief of Max Steinsapir;

H. R. 2925. An act for the relief of Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald;

H. R. 2929. An act for the relief of Lazara Camargo Bernoudy;

H. R. 2946. An act for the relief of Eugene Dus;

H. R. 2973. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Macon County, Ga., to the Georgia State Board of Education;

H. R. 3027. An act for the relief of Leo E. Verhaeghe;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3193. An act for the relief of Evelyn Hardy Waters;

H. R. 3233. An act to amend title 18 of the United States Code, so as to make it a criminal offense to move or travel in interstate commerce with intent to avoid prosecution, or custody, or confinement after conviction, for arson;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3376. An act for the relief of Mrs. Mary A Sansone;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3587. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California;

H. R. 3628. An act for the relief of Luise Isabella Chu, also known as Luise Schneider;

H. R. 3635. An act for the relief of Birgit Camara, also known as Birgit Heinemann;

H. R. 3636. An act to authorize the issuance of a land patent to certain lands situate in the city and county of Honolulu, island of Oahu, to the Protestant Episcopal Church in the Hawaiian Islands;

H. R. 3882. An act to require the registration of certain persons who have knowledge of or have received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party, and for other purposes;

H. R. 3982. An act for the relief of James H. R. Stumbaugh;

H. R. 4026. An act for the relief of James C. Hayes;

H. R. 4162. An act for the relief of Kahzo L. Harris;

H. R. 4181. An act for the relief of P. F. Claveau, as successor to the firm of Rodger G. Ritchie Painting & Decorating Co.;

H. R. 4634. An act for the relief of Lt. Col. George H. Cronin, United States Air Force;

H. R. 4894. An act to repeal certain laws relating to timber and stone on the public domain;

H. R. 5188. An act to prohibit publication by the Government of the United States of any prediction with respect to apple prices;

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana;

H. R. 5871. An act for the relief of Guy Francone;

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes;

H. R. 5876. An act to amend the copyright law to permit, in certain classes of works, the deposit of photographs or other identifying reproductions in lieu of copies of published works;

H. R. 5951. An act for the relief of Samuel E. Arroyo;

H. R. 6082. An act for the relief of Nemoran J. Pierre, Jr.;

H. R. 6086. An act for the relief of certain relatives of United States citizens or lawfully resident aliens;

H. R. 6281. An act for the relief of Capt. William S. Ahalt and others;

H. R. 6282. An act for the relief of Nathan L. Garner;

H. R. 6395. An act for the relief of Thomas W. Bevans and others; and

H. J. Res. 232. Joint resolution authorizing the erection of a memorial gift from the Government of Venezuela.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred as indicated:

H. R. 619. An act to provide that all United States currency shall bear the inscription "In God we trust"; and

H. R. 5512. An act to provide for the conveyance of certain property under the jurisdiction of the Housing and Home Finance Administrator to the State of Louisiana; to the Committee on Banking on Currency.

H. R. 1015. An act for the relief of Mr. and Mrs. Derfery William Wright;

H. R. 1216. An act for the relief of Cathryn A. Glesener;

H. R. 1219. An act for the relief of the estate of Mrs. Margaret A. Swift;

H. R. 1245. An act for the relief of Marianne Anita Zelinka;

H. R. 1275. An act for the relief of Gennaro Savarese;

H. R. 1447. An act for the relief of Aleksandra Borkowski;

H. R. 1463. An act for the relief of Rudolfo M. Gomez (Capaz);

H. R. 1488. An act for the relief of Mrs. Esther Reed Marcantel;

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H. R. 1540. An act for the relief of Mrs. Joan Craig Newell;

H. R. 1541. An act for the relief of Mrs. Maria Dicran Simon;

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H. R. 1551. An act for the relief of Gaulberto Estralla Alabastro, Pura Zarco Alabastro, and Arlene Alabastro;

H. R. 1552. An act for the relief of Dalisay Lourdes Cruz;

H. R. 1648. An act for the relief of Sister Luigia Pellegrino, Sister Angelina Nicastro, and Sister Luigina Di Martino;

H. R. 1661. An act for the relief of Kim Dong Su;

H. R. 1693. An act for the relief of Barbara Knape;

H. R. 1708. An act for the relief of Eugene Albert Bailly;

H. R. 1739. An act for the relief of William J. Bohner;

H. R. 1750. An act for the relief of Elena Gigliotti;

H. R. 1768. An act for the relief of the Jefferson and Plaquemines Drainage District and certain persons whose properties abut on the Federal Government's right-of-way for Harvey Canal in Louisiana;

H. R. 1883. An act for the relief of Margarete Gartner;

H. R. 1963. An act for the relief of Mr. and Mrs. Clarence M. Augustine;

H. R. 1997. An act for the relief of Linda Beryl San Filippo;

H. R. 2073. An act for the relief of Bengt Wikstam;

H. R. 2274. An act for the relief of Alejandro Florentino Munoz;

H. R. 2495. An act for the relief of Antoni Rajkowski;

H. R. 2721. An act for the relief of Mihai Indig;

H. R. 2724. An act for the relief of Miss Elvira Bortolin;

H. R. 2756. An act for the relief of Frank Scriver;

H. R. 2791. An act for the relief of Ofelia Martin;

H. R. 2911. An act for the relief of Max Steinsapir;

H. R. 2925. An act for the relief of Carmelo Rodriguez Perez, also known as Carmelo Rodriguez Fenald;

H. R. 2929. An act for the relief of Lazara Camargo Bernoudy;

H. R. 2946. An act for the relief of Eugene Dus;

H. R. 3027. An act for the relief of Leo E. Verhaeghe;

H. R. 3048. An act for the relief of Assuntino Del Gobbo;

H. R. 3193. An act for the relief of Evelyn Hardy Waters;

H. R. 3233. An act to amend title 18 of the United States Code, so as to make it a criminal offense to move or travel in interstate commerce with intent to avoid prosecution, or custody or confinement after conviction for arson;

H. R. 3270. An act for the relief of Giuseppa Arsena;

H. R. 3376. An act for the relief of Mrs. Mary A. Sansone;

H. R. 3504. An act for the relief of Eveline Wenk Neal;

H. R. 3628. An act for the relief of Luise Isabella Chu, also known as Luise Schneider;

H. R. 3635. An act for the relief of Birgit Camara, also known as Birgit Heinemann;

H. R. 3882. An act to require the registration of certain persons who have knowledge of or have received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party, and for other purposes;

H. R. 3982. An act for the relief of James H. R. Stumbaugh;

H. R. 4026. An act for the relief of James C. Hayes;

H. R. 4162. An act for the relief of Kahzo L. Harris;

H. R. 4181. An act for the relief of P. F. Claveau, as successor to the firm of Rodger G. Ritchie Painting & Decorating Co.;

H. R. 4634. An act for the relief of Lt. Col. George H. Cronin, United States Air Force;

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H. R. 5876. An act to amend the copyright law to permit, in certain classes of works, the deposit of photographs or other identifying reproductions in lieu of copies of published works;

H. R. 5951. An act for the relief of Samuel E. Arroyo.

H. R. 6082. An act for the relief of Nemoran J. Pierre, Jr.;

H. R. 6086. An act for the relief of certain relatives of United States citizens or lawfully resident aliens;

H. R. 6281. An act for the relief of Capt. William S. Ahalt and others;

H. R. 6282. An act for the relief of Nathan L. Garner; and

H. R. 6395. An act for the relief of Thomas W. Bevans and others; to the Committee on the Judiciary.

H. R. 2973. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Macon County, Ga., to the Georgia State Board of Education; and

H. R. 5188. An act to prohibit publication by the Government of the United States of any prediction with respect to apple prices; to the Committee on Agriculture and Forestry.

H. R. 3587. An act granting the consent of the Congress to the negotiation of a compact relating to the waters of the Klamath River by the States of Oregon and California;

H. R. 3636. An act to authorize the issuance of a land patent to certain lands situate in the city and county of Honolulu, island of Oahu, to the Protestant Episcopal Church in the Hawaiian Islands; and

H. R. 4894. An act to repeal certain laws relating to timber and stone on the public domain; to the Committee on Interior and Insular Affairs.

H. R. 5875. An act to amend title 14, United States Code, entitled "Coast Guard," for the purpose of providing involuntary retirement of certain officers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. J. Res. 232. Joint resolution authorizing the erection of a memorial gift from the Government of Venezuela; to the Committee on Rules and Administration.

CONSTRUCTION OF CERTAIN GOVERNMENT BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 405, S. 1290.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1290) to provide for the construction of certain Government buildings in the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works, with an amendment, to strike out all after the enacting clause and insert:

That, the Public Buildings Act of 1949, as amended, is further amended by redesignating section 412 as section 413 and by inserting a new section 412 reading as follows:

"SEC. 412. (a) In exercising the authority contained in section 411 within the southwestern portion of the District of Columbia, the Administrator of General Services shall conform to the plan for redevelopment of that area pursuant to the District of Columbia Redevelopment Act of 1945. Purchase contract agreements for this area shall be for terms of not less than 10 years nor more than 30 years.

"(b) The Administrator of General Services is authorized to transfer lands of the

United States under his control needed by the District of Columbia Redevelopment Land Agency to said Agency within the southwestern portion of the District of Columbia, and in consideration therefor, to accept from said Agency other lands and interests of equivalent value within the same area.

"(c) Whenever the Administrator of General Services initially occupies a building in the southwestern portion of the District of Columbia pursuant to a purchase contract agreement, he shall thereupon cause to be demolished temporary Government building space in the District of Columbia of equivalent occupancy.

"(d) In exercising the authority contained in section 411 within the southwestern portion of the District of Columbia, the Administrator of General Services is hereby authorized, pursuant to section 302 (c) (14) of the Federal Property and Administrative Services Act of 1949, as amended, to negotiate purchase contracts, in accordance with title III of such act. In negotiating such contracts, the Administrator shall take all practicable steps to insure competition among prospective contractors.

"(e) The limitation of 3 years set forth in the second sentence of section 411 (e) shall be read as 5 years with respect to purchase contracts for projects within the southwestern portion of the District of Columbia.

"(f) In transmitting the prospectus required by section 411 with respect to any proposed purchase contract for a project within the southwestern portion of the District of Columbia, which shall be published in the Federal Register for a period of 10 consecutive days from date of submission to the respective committees, the Administrator shall not be required to include the certificate referred to in subdivision (3) of section 411 (e)."

Mr. JOHNSON of Texas. Mr. President, this bill extends the principles of lease-purchase, contained in a law enacted by the Congress last year, to the construction of Government buildings as a part of the plans for the redevelopment and rebuilding of the southwestern portion of the District of Columbia, a notorious slum area.

This bill is intended to aid in obtaining the objectives of slum clearance, eliminating certain temporary Government buildings, and constructing adequate office space coordinated with the removal of such temporary buildings.

The bill provides a new section 412 in the Lease-Purchase Act in order to fit the removal of temporary buildings and the construction of new buildings into a balanced southwest development plan.

The committee report on this bill is brief and takes up clearly each of the subsections in this new section of the Public Buildings Act. Hence, I will not take the Senate's time to go into the details.

However, I should like to emphasize that the objectives of the bill are sound; that the procedures fit with those approved by the Congress last year; that the choice of negotiation or competitive bids is permissive to the executive branch of the Government, while requiring that all practical steps be taken to insure competition among prospective contractors; that it is the responsibility of the executive branch to carry out this program in the best interests of the Government and the District of Columbia; and that the committee has no predetermined idea as to who the contractors or enterprisers should be.

This bill requires any proposed purchase contract for the southwestern area to be published in the Federal Register for a period of 10 consecutive days from date of submission to the respective congressional committees—an implementation of the "goldfish bowl" policy.

Public hearings were held on this bill, and the committee considers that the measure is the result of the constructive ideas presented by witnesses, both from private industry and the Government. In the final language, assistance and accord was received from both GSA and the Bureau of the Budget.

The distinguished Senator from South Dakota [Mr. CASE] is very much interested in this measure. He has some comments he would like to make prior to its final passage. In order that he may have an opportunity to do so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, the committee amendment in the nature of a substitute follows the recommendation of the General Services Administration by making the language of the bill an amendment to the Lease-Purchase Act, as it is popularly known.

It provides authority for the development of projects in Southwest Washington.

The bill as reported by the committee also provides that in transmitting the prospectus required under section 411 with respect to any proposed purchase contract for a project within the southwestern portion of the District of Columbia, the Administrator shall publish it in the Federal Register for a period of 10 consecutive days from the date of its submission to the respective committees of Congress.

The reason for that is to make it possible for the public to know what is going on in the form of a negotiated contract and to have an opportunity to register objections if it wishes to do so.

It is recognized that in any proceeding of this nature, it is difficult to write a statute which will meet all contingencies. However, by making certain that the negotiation of a contract will take place in a "goldfish bowl" atmosphere, so to speak, with the public and the people of the community aware of the proposals, any unhappy situation or provision will be explored and due action taken.

The committee feels that this proposed legislation opens the way for a substantial improvement of blighted areas in the Nation's Capital, and, generally speaking, it will aid in the beautification of the Capital City and the development of buildings consistent with the standards desired in the National Capital.

I hope the committee amendment will be agreed to and that the bill will be passed.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend the Public Buildings Purchase Contract Act of 1954."

ENTITLEMENT OF VETERANS TO OUTPATIENT DENTAL CARE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 466, House bill 5100.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5100) to amend veterans regulation No. 7 (a) to clarify the entitlement of veterans to outpatient dental care.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, this bill comes from the Committee on Labor and Public Welfare, and was unanimously reported by that committee. It provides that outpatient dental service and treatment or related dental appliances shall be furnished by the Veterans' Administration only if the dental condition is service-connected, and of compensable degree, or is service-connected and shown to have been in existence at the time of the discharge, and application is made within 1 year after discharge, or by December 31, 1954 whichever is the later.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

SERVICEMEN'S LOANS FOR FARM HOUSING

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of order No. 467, House bill 5106.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5106) to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the bill amends section 501 of the Servicemen's Readjustment Act of 1944 by adding a new subsection (c). This new subsection is broken down into four parts and provides that, notwithstanding section 502 of this title, but subject to

paragraphs (1), (2), and (3) of subsection (a) of the section amended, any loan to a veteran under this title may be guaranteed if the proceeds thereof will be used for any of the following purposes:

First. To purchase a farm on which there is a farm residence to be occupied by the veteran as his home.

The intent of this is apparent in that it provides that a veteran can purchase a farm on which there is an existing farm residence to be occupied by the veteran as his home. Under this section, in the case of a veteran buying an improved farm, the guaranty would go, not only to the purchase of the farm and residence, but to all other buildings which are considered a part of the realty.

Second. To construct on land owned by the veteran a farm residence to be occupied by him as his home.

The intent of this is to provide a veteran with the facilities for constructing a residence on a farm owned by him and to be occupied by him as his home. This would include the farm residence, garage, utilities, and necessary appurtenances thereto, together with landscaping, in order to provide a completed dwelling unit on the farm.

Third. To repair, alter, or improve a farm residence owned by the veteran and occupied by him as his home.

The bill was reported unanimously by the Committee on Labor and Public Welfare, and I hope the Senate will pass it.

The PRESIDING OFFICER. The bill is open to a amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

RURAL ELECTRIFICATION ADMINISTRATION

Mr. ALLOTT. Mr. President, last year during the course of the political campaigns which were being conducted in the United States, we heard, particularly those of us who live in the West and in farm areas, a great many remarks and noticed a great many discussions being carried on by certain pressure groups as to the effectiveness or the supposed lack of effectiveness of the REA. It is, therefore, with the greatest of pleasure that I ask unanimous consent to have printed in the RECORD at this point a copy of a telegram to Hon. Ancher Nelsen, Administrator, Rural Electrification Administration, from the Colorado-Ute Electric Association, Inc., and also an original letter from John W. Carlson, president of that association, to myself, in which Ancher Nelsen is commended for his exemplary and untiring efforts in behalf of REA and in which it is stated that his work in behalf of REA in Colorado has given the economy of the last frontier in Colorado a development which it could not have expected to obtain otherwise.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

DENVER, COLO., *May 26, 1955.*

Hon. ANCHER NELSEN,
Administrator, Rural Electrification Administration,
Washington, D. C.:

Our deepest gratitude and appreciation your untiring effort and devotion in obtaining G and T loan for Colorado-Ute. The economy of the last frontier in Colorado can now be developed to its fullest extent and take its place among the important areas in the Nation.

Again thanks to you and your staff for your good work.

COLORADO-UTE ELECTRIC ASSOCIATION, INC.,
GEO. G. WILSON, *Secretary,*
NUCLA, COLO.

LA PLATA ELECTRIC ASSOCIATION,
Durango, Colo., May 26, 1955.

Hon. GORDON ALLOTT,
United States Senate,
Washington, D. C.

MY DEAR SENATOR ALLOTT: Thank you for your telegram yesterday advising us that the Colorado-Ute Electric Association loan has been approved by Administrator Nelsen.

We believe that the consequences of this action will be far-reaching, and that the progress of the western slope of Colorado will be greatly accelerated.

We sincerely appreciate all that you have done toward making this development possible.

Yours very truly,
JOHN W. CARLSON,
President.

RECONVEYANCE OF PORTION OF VETERANS' ADMINISTRATION HOSPITAL RESERVATION, COLUMBIA, S. C.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 468, House bill 5177.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5177) to authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., a portion of the Veterans' Administration hospital reservation, Columbia, S. C.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. House bill 5177, as passed by the House, would authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., without consideration, all right, title, and interest of the United States in and to a tract of approximately 110 acres of land constituting a portion of land conveyed to the United States by Richland County.

Section 2 of the bill authorizes the inclusion in the deed of conveyance of such terms, conditions, reservations, and restrictions as may be determined by the Administrator of Veterans' Affairs to be necessary to protect the interests of the United States.

The distinguished junior Senator from South Carolina has discussed this bill with me, and he is now on the floor. I hope the Senate will act favorable on the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AUTOMOBILES FOR DISABLED VETERANS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 469, House bill 5089.

The PRESIDING OFFICER. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5089) to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with amendments on page 2, after line 19, to strike out:

SEC. 2. Section 6 of said act is hereby renumbered 7 and said act is further amended by inserting immediately following section 5 the following.

After line 23, to strike out:

SEC. 6. Any person in the active service who has a condition as specified in section 1 which was due to disability incurred or aggravated in line of duty in the active military, naval, or air service during one of the periods specified in section 1, and who has remained in the active service since sustaining such disability, shall be entitled to the benefits of this act subject to the other applicable provisions, except that application under this section must be made within 1 year after the effective date of this amendment.

Mr. JOHNSON of Texas. Mr. President, the purpose of this bill is, first, to extend for 2 additional years the period for making application for assistance in obtaining the $1,600 payment on an automobile or other conveyance under Public Law 187 of the 82d Congress; second, to extend this benefit to a veteran meeting the basic eligibility requirements whose qualifying disability occurred subsequent to his discharge, and who makes application within 3 years after the occurrence of the disability; and third, to give a veteran whose disability was not adjudicated as service connected until long after discharge, or perhaps after the expiration of the basic time for filing, at least 1 year in which he may file.

The bill comes from the Committee on Labor and Public Welfare and is reported unanimously, and I hope it will be passed by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS IN THE TURTLE MOUNTAIN INDIAN RESERVATION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 501, Senate bill 1397.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1397) providing for the conveyance to St. Mary's Mission of certain lands in the Turtle Mountain Indian Reservation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments.

ORDER FOR RECESS TO FRIDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in recess until Friday next at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I should like to say that it is our plan to take up noncontroversial bills on Friday, including private bills. I expect to have a calendar call on Monday. So far as I am informed at this time, no controversial legislation will come up on Monday, although any bill can be controversial if some Senator decides to make it so.

In order that Senators may be on notice, as soon as insertions have been made in the RECORD and Senators who wish to address the Senate have done so, I intend to move that the Senate stand in recess until Friday. I am informed that there is no further business to come before the Senate today.

I have just been reminded by my delightful friend the distinguished minority leader that there is a possibility that the Senate may be able to act on the Department of the Interior appropriations conference report this afternoon.

Mr. KNOWLAND. The conference report is at the desk.

Mr. JOHNSON of Texas. Then I shall plan to have it called up before the Senate concludes its business for the day.

HOUSING ACT OF 1955

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me in opposition to the housing bill, S. 2126, which was passed by the Senate yesterday.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND

My opposition to the extension and expansion of the public-housing program is based on the belief that private enterprise can do and is doing the housing job necessary.

We are not faced with any emergency requirement for quick construction. Therefore, I see no logical reason to put up an outlay of billions of dollars of the taxpayers' money for additional public housing. One of the principal sponsors of this legislation has pointed out that it would involve the Government to the extent of $10 billion a year. Another prominent legislator has estimated it would run even higher than that.

Since the close of World War II, 9,225,200 units of housing have been constructed by private enterprise, compared with 193,000 units of public housing through 1954, excluding military housing. This provides evidence that private enterprise is able and willing to do the job. If the Federal Government will stay out of the public-housing field, I believe sufficient housing will be provided on a continuing basis by private enterprise, unless some special reason might arise which should be met by the Government. Such a reason might be the sudden influx of people into an area requiring a large number of units of temporary housing.

Recent decisions of the Supreme Court on housing and in the school-segregation case indicate that the "separate but equal" doctrine will no longer apply. This denial of the right of a State or a city to determine its own regulations with regard to housing cannot be taken lightly when we are considering the ultimate result.

As a result of the Supreme Court ruling on the school case last year and on a housing case from California, my distinguished predecessor, the late Senator Burnet R. Maybank, who had long supported public housing, reversed his position and moved to strike all public housing from the bill in 1954. In the California case the Supreme Court had refused to consider an appeal from the California court in which that court had ruled segregation in public housing unconstitutional.

I am also opposed to a principle involved in the operations of public-housing projects which I consider to be socialistic. That is the regulation under which the same unit of housing is rented to different tenants at different rates of rent, or where identical units, side by side, are rented at different rates, based on the fact that the tenants have different incomes. Rentals should be based on the value of the property and not on the income of the tenants.

I do not believe it fair or in keeping with democratic principles for us to adopt such a socialistic program.

COST DIFFERENTIAL FOR WEST COAST SHIPYARDS

Mr. KUCHEL. Mr. President, for a long period of time many industries and business enterprises in the western part of the United States have been compelled to operate under a severe handicap in establishing firm foundations and expanding their establishments. One of the most serious obstacles and disadvantages has been a higher cost of production, which is due to a varied number of factors.

I am sure virtually all of my colleagues can recall seeing advertisements for miscellaneous products which carry a line—generally in small type and tucked away in an obscure place—reading more or less as follows: "Prices slightly higher west of the Mississippi." This warning to would-be purchasers of products fabricated in the eastern half of the United States characterizes a situation which has been unpleasant but which still has not, I am happy and proud to point out, prevented the people of the Pacific coast from marching forward and building up a vigorous economy. However, our people have literally paid a premium price for their progress and have been compelled to overcome a number of disadvantages to reach the place where they and their enterprises now stand.

I shall not attempt to discuss the factors that make it more costly to produce various articles on the Pacific coast, but I am forced to call this condition to the attention of the Senate because recently a move has started that would penalize one important industry in my State and the neighboring States of Washington and Oregon. I refer to proposals to repeal a provision of the Merchant Marine Act of 1936 which was designed to equalize the competitive situation of Atlantic and Pacific coast shipyards.

Mr. President, I am disturbed—and I am sure my colleagues from the Pacific coast share my feeling—by the suggestion that this feature of the law drafted 20 years ago should be wiped from the books. The proposal to repeal section 502 (d) of the Merchant Marine Act is like kicking a man when he is down and would arbitrarily reverse a precedent which has been followed in a number of other pieces of legislation in the hope of protecting our economy and maintaining a vital adjunct to the national defense.

The differential which is recognized by the Merchant Marine Act is modest. It amounts only to 6 percent. I should like to point out, incidentally, that this figure was written into the law following thorough investigation by the Department of Commerce after my illustrious predecessor, Senator Hiram Johnson, brought the matter to the attention of the Senate. When the 1936 law was under consideration, Senator Johnson sought an allowance of 10 percent for west coast shipbuilders to equalize conditions with the east coast industry and enable them to participate in future merchant-ship construction. A 6-percent differential is barely enough to cover higher costs of obtaining materials and machinery that often have to be shipped halfway across the Nation or even further from the big centers of production in the Middle West and the East.

All Senators from maritime States—and I am certain many others from the interior of the Nation—realize the extremely depressed state of this country's shipbuilding industry. In recent years virtually no construction has been going on, and dozens of once-thriving shipyards have been limping along at reduced rates with conversion and repair work or small craft building. This is especially true on the Pacific coast.

If our shipbuilding industry in California, Washington, and Oregon is ever going to revive, it will need the protection of the differential clause in the Merchant Marine Act. This industry is absolutely indispensable to national security, as was evidenced during World War II when shipyards from Los Angeles to Vancouver set superhuman records in turning out the tankers, cargo vessels, and other craft needed for our fighting forces and

for the bridge of ships that linked the United States with such faraway places as Australia, New Guinea, North Africa, and Europe.

The hundreds of thousands of men and women who sweated around the clock to turn out those essential ships during wartime have dwindled to small forces in the port areas where shipbuilding still is carried on—but on a pitifully limited scale. Our Nation cannot afford to have the present limited numbers, the vital backbone, of experienced craftsmen further reduced and dissipated into other industries and areas. The 6-percent differential in cost permitted under the Merchant Marine Act may be the critical factor in keeping these present yards in existence and the workers on the job and available for any possible emergency.

Mr. President, the importance of this feature of the Merchant Marine Act is so obvious I earnestly hope that no further thought will be given to any proposed repeal. The differential clause was included in that legislation from the outset in the House, was retained by the Senate in what otherwise was an almost complete job of rewriting, and was incorporated in the conference report. Certainly a provision of law with such history should not be tampered with, particularly at such a crucial time in the life of this historic American industry.

I refer in these comments to S. 2038, introduced by the senior Senator from Maryland [Mr. BUTLER]. I denounce the bill; I believe it to be wrong. I feel certain that my views will appeal to an overwhelming majority of the Senate, no matter from what section of the country they may come. The bill is one which should be defeated; it should never get to the floor of the Senate.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1956—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, the conference report on the Department of the Interior appropriation bill is at the desk. I hope the Senate may act on it now. I observe on the floor the distinguished chairman of the Committee on Appropriations [Mr. HAYDEN], and I yield to him.

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5085) making appropriations for the Department of the Interior and related agencies, for the fiscal year ending June 30, 1956, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, the appropriations for the Department of the Interior and related agencies for the fiscal year 1955 were $301,474,676. The budget estimates for 1956 were $314,523,056. The bill as passed by the House appropriated $297,925,546. As passed by the Senate the bill appropriated $327,987,088. The amount agreed upon by the conferees and included in the conference report is $317,573,627. In other words, the appropriations recommended in the conference report as compared with the appropriations for 1955, represent an increase of $16,098,951. They are above the Budget Bureau estimate by $3,050,571. Above the amount provided by the House by $19,648,081, and only $10,413,461 less than the amount provided by the Senate when it passed the bill.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. NEUBERGER. A good many conservation groups have asked me about one phrase which appears in the conference report, and that is in the authorization for the highway along the George Washington Memorial Parkway, in which the following statement is made: "but that the maximum possible protection shall be provided to maintain the C. & O. Canal and the lands bordering it in their natural state."

That language is quite nebulous and ambiguous, and a great many conservation groups are afraid that if the proposed highway is constructed it will have the effect of totally marring the scenery and wiping out the wildlife in that area. Was it the intention of the conference committee really to provide some protection when the highway is constructed along the George Washington Memorial Parkway?

Mr. HAYDEN. That was certainly the intent of the conferees. The testimony before the committee was that it is a mistaken idea to think that the entire length of the highway would crowd right up to the canal. That is not true. In many places, it would be at a considerable distance from the canal. There are certain places where the bluff comes so close to the canal that the roadway will have to be constructed close to the canal, and then depart from it again.

The determining factor was that the State of Maryland is cooperating on the project, and has contributed funds for 50 percent of the cost of acquiring the right-of-way. The parkway was authorized by law to be undertaken jointly by the Park Service and the State of Maryland. The State of Maryland, having advanced a certain sum of money, according to an agreement embodied in an act of Congress, was very insistent that the project should be proceeded with.

Neither the State nor the Federal authorities have in any way attempted to indicate that action should be taken which would disturb the canal. On the other hand, we have tried to indicate that the highway should stay as far as possible away from the canal, except where it is impossible to do so.

Mr. NEUBERGER. I thank the Senator. For the RECORD, I should like to say, so that it will be available when the highway is being constructed, the area along the canal is one of the most important recreational sites for groups such as the Boy Scouts and the Audobon Society in the area of the Nation's Capital. I very much hope the distinguished chairman of the Committee on Appropriations and his colleagues will see to it that the National Park Service carries out what the chairman certainly thinks to be the intent of this part of the conference report. I wish to thank the distinguished chairman for giving me this assurance. I know that certain groups were very much concerned over the question.

Mr. HAYDEN. We also have the assurance of the National Park Service that no agency is more interested in providing recreational facilities than it is, and that objective will not be abandoned in this case.

Mr. NEUBERGER. I thank the Senator. I think it is important that this colloquy be in the RECORD, in the event there should be any dispute over the meaning of this provision of the report and the purpose intended.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. KUCHEL. My colleague and I have both been most interested in amendment No. 39. I am sure he shares my delight over the fact that the amount provided by the Senate with respect to the Forest Service generally was accepted by the House conferees. Can the Senator indicate what part of this amount is earmarked for fire protection or fire control in southern California?

Mr. HAYDEN. The Senate increased the amount by $625,000 over the budget request, and in conference $300,000 of the increase was retained.

Mr. KUCHEL. I thank the Senator very much. I express my sincere appreciation of his sympathetic interest for our problem.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5085, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 8, 1955.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 6, 8, 11, 21, 34, 36, 48, 46, and 47 to the bill (H. R. 5085) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes", and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 18 to said bill and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", of which $100,000 shall be available for the completion of payments for the execution of the new figure for the Yorktown Monument, upon the completion of the figure to the satisfaction of the Secretary, and

the Secretary shall release the contractor from all obligations under the contract with respect to the removal of the present damaged figure, the repair of the shaft, and the mounting of the new figure on the shaft: *Provided*, That prior to any payments made pursuant to this provision the contractor shall release the Government from any and all claims arising from the execution of the figure or any presently existing contract between said contractor and the United States Government: *Provided further*, That the sum provided herein is in addition to the sum of $59,000 specified in contract No. I–100np–147."

That the House recede from its disagreement to the amendment of the Senate numbered 24 to said bill, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ", of which $500,000 shall be available for the establishment of a revolving fund for loans to locally owned private trading enterprises, to continue during the fiscal year 1956".

That the House insist upon its disagreement to the amendments of the Senate numbered 14 and 15.

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 18 and 24.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I move that the Senate recede from its amendments Nos. 14 and 15.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement giving a breakdown of the appropriations in the Department of the Interior and related agencies appropriation bill.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

Department of the Interior and related agencies appropriation bill, for the fiscal year ending June 30, 1956

Appropriation title	Appropriations, 1955	Budget estimates, 1956	House allowance	Senate allowance	Conference allowance
(1)	(2)	(3)	(4)	(5)	(6)
TITLE I—DEPARTMENT OF THE INTERIOR					
OFFICE OF THE SECRETARY					
Research in utilization of saline water	$400,000	$400,000	$400,000	$400,000	$400,000
Salaries and expenses, Oil and Gas Division	390,000	390,000	390,000	390,000	390,000
Office of the Solicitor	(2,569,000)	2,525,000	2,525,000	2,525,000	2,525,000
Office of Minerals Mobilization		300,000	250,000	225,000	225,000
Emergency flood and storm repairs	100,000				
Total, Office of the Secretary	890,000	3,615,000	3,565,000	3,540,000	3,540,000
BUREAU OF LAND MANAGEMENT					
Management of lands and resources	12,263,000	13,400,000	13,400,000	13,500,000	13,450,000
Construction	2,500,000	2,500,000	2,300,000	2,300,000	2,300,000
Range improvements	(387,976)	(587,000)	(587,000)	(587,000)	(587,000)
Total, Bureau of Land Management	14,763,000	15,900,000	15,700,000	15,800,000	15,750,000
BUREAU OF INDIAN AFFAIRS					
Education and welfare services	37,060,668	41,675,000	41,675,000	41,865,995	41,764,995
Resources management	12,763,045	12,532,000	12,332,000	12,432,000	12,432,000
Construction	12,916,433	7,847,356	2,847,356	7,979,003	7,979,003
Road construction and maintenance (liquidation of contract authorization)		7,000,000	7,000,000	7,000,000	7,000,000
General administrative expenses	2,460,000	2,600,000	2,600,000	2,600,000	2,600,000
Relocation of the Yankton Sioux Tribe	50,000	56,500	56,500	56,500	56,500
Total, Bureau of Indian Affairs, exclusive of tribal funds	65,250,146	71,710,856	66,510,856	71,932,498	71,832,498
Tribal funds (not included in totals of this tabulation)	(3,000,000)	(3,200,000)	(3,200,000)	(3,100,000)	(3,100,000)
GEOLOGICAL SURVEY					
Surveys, investigations, and research	25,735,000	26,285,000	26,285,000	26,985,000	26,635,000
BUREAU OF MINES					
Conservation and development of mineral resources	13,500,000	12,893,000	12,893,000	13,393,000	12,893,000
Health and safety	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
General administrative expenses	1,000,000	970,000	970,000	970,000	970,000
Construction	6,000,000			2,000,000	
Total, Bureau of Mines	25,500,000	18,863,000	18,863,000	21,363,000	18,863,000
NATIONAL PARK SERVICE					
Management and protection	9,098,390	9,800,000	9,800,000	9,825,000	9,825,000
Maintenance and rehabilitation of physical facilities	8,425,000	8,950,000	8,950,000	8,950,000	8,950,000
Construction	13,618,200	4,725,000	3,725,000	5,776,400	5,425,000
Construction (liquidation of contract authorization)		20,000,000	19,654,300	19,654,300	19,654,300
Jones Point Bridge	600,000				
General administrative expenses	1,084,000	1,175,000	1,175,000	1,175,000	1,175,000
Total, National Park Service	32,825,590	44,650,000	43,304,300	45,380,700	45,029,300
FISH AND WILDLIFE SERVICE					
Management of resources	6,301,000	6,728,500	6,650,000	6,753,500	6,728,500
Investigations of resources	4,127,000	3,977,000	3,977,000	4,187,000	4,187,000
Construction	300,000	140,000		1,000,000	1,000,000
General administrative expenses	725,000	760,000	760,000	760,000	760,000
Administration of Pribilof Islands	(1,654,640)	(1,827,600)	(1,827,600)	(1,827,600)	(1,827,600)
Total, Fish and Wildlife Service	11,453,000	11,605,500	11,387,000	12,700,500	12,675,500
OFFICE OF TERRITORIES					
Administration of Territories	3,400,000	2,624,000	2,600,000	2,619,000	2,609,500
Trust Territory of the Pacific Islands	5,000,000	5,000,000	4,000,000	4,500,000	4,500,000
Alaska public works	9,500,000	5,000,000		5,000,000	3,000,000
Construction of roads, Alaska	8,000,000	7,800,000	4,800,000	7,800,000	6,300,000
Operation and maintenance of roads, Alaska	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Construction, Alaska Railroad	2,900,000	4,100,000	4,100,000	4,100,000	4,100,000
Total, Office of Territories	32,300,000	28,024,000	19,000,000	27,519,000	24,009,500

Department of the Interior and related agencies appropriation bill, for the fiscal year ending June 30, 1956—Continued

Appropriation title (1)	Appropriations, 1955 (2)	Budget estimates, 1956 (3)	House allowance (4)	Senate allowance (5)	Conference allowance (6)
ADMINISTRATION, DEPARTMENT OF THE INTERIOR					
Salaries and expenses	$2,330,000	$2,081,000	$2,065,000	$2,081,000	$2,065,000
Total, Department of the Interior	211,046,736	222,734,356	206,680,156	227,301,698	220,399,798
TITLE II—RELATED AGENCIES					
Commission of Fine Arts	21,200	21,200	21,200	21,200	21,200
Federal Coal Mine Safety Board of Review	75,000	70,000	70,000	70,000	70,000
Department of Agriculture:					
Agricultural Research Service:					
Salaries and expenses				150,000	150,000
Forest Service:					
Salaries and expenses:					
National forest protection and management	30,536,500	32,411,500	32,411,500	37,111,500	35,511,500
Fighting forest fires	6,000,000	5,250,000	5,250,000	5,250,000	5,250,000
Control of forest pests	7,507,500	6,107,500	4,937,500	6,537,500	6,272,500
Forest research	7,054,000	7,254,000	7,254,000	7,754,000	7,754,000
Subtotal	51,098,000	51,023,000	49,853,000	56,653,000	54,788,000
Roads and trails	22,500,000	24,000,000	24,000,000	24,000,000	24,000,000
Acquisition of lands for national forests:					
Weeks Act	125,000			190,000	190,000
Special acts	(10,000)			(10,000)	(10,000)
State and private forestry cooperation	10,683,690	9,600,000	10,683,690	12,983,690	11,337,129
Cooperative range improvements (special account)	(400,000)	(280,000)	(400,000)	(700,000)	(700,000)
Total, Forest Service	84,406,690	84,623,000	84,536,690	93,826,690	90,315,129
Indian Claims Commission	117,000	119,500	119,500	119,500	119,500
Jamestown-Williamsburg-Yorktown Celebration Commission	100,000	100,000	100,000	100,000	100,000
John Marshall Bicentennial Commission	10,000				
National Capital Planning Commission:					
Salaries and expenses	143,000	200,000	143,000	143,000	143,000
Land acquisition	545,000	900,000	500,000	500,000	500,000
Salaries and expenses, transportation survey	200,000				
Total, National Capital Planning Commission	888,000	1,100,000	643,000	643,000	643,000
Smithsonian Institution:					
Salaries and expenses, Smithsonian Institution	3,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Salaries and expenses, National Gallery of Art	1,300,000	1,355,000	1,355,000	1,355,000	1,355,000
Total, Smithsonian Institution	4,300,000	5,355,000	5,355,000	5,355,000	5,355,000
Woodrow Wilson Centennial Celebration Commission		10,000	10,000	10,000	10,000
Total, related agencies	89,917,890	91,398,700	90,855,390	100,295,390	96,783,829
TITLE III—VIRGIN ISLANDS CORPORATION					
Grants	510,000	390,000	390,000	390,000	390,000
Administrative expenses	(130,000)	(160,000)	(160,000)	(160,000)	(160,000)
Grand total, titles I, II, and III	301,474,626	314,523,056	297,925,546	327,987,088	317,573,627

STATUS OF APPROPRIATION BILLS

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. JOHNSON of Texas. I should like to inquire what the plans of the Appropriations Committee are for the remainder of the week. Does the Senator plan to report the Department of Commerce appropriation bill?

Mr. HAYDEN. The subcommittee is engaged in marking up the bill for consideration by the full committee, which we hope will be done before the weekend, so that there may be a report from the full committee by next Monday.

Mr. JOHNSON of Texas. Unless some unforeseen developments occur, does the Senator expect the hearings and report to be available for Senate consideration on Monday next?

Mr. HAYDEN. That is our hope. We shall send the manuscript to the Government Printing Office, so that there may be as prompt action as possible.

Mr. JOHNSON of Texas. Does the Senator plan to have action on any other appropriation bills this week?

Mr. HAYDEN. A subcommittee is making an effort to mark up the armed services appropriation bill, but it will be impossible to report the bill to the Senate until the middle of next week.

Mr. JOHNSON of Texas. As I understand, a subcommittee is holding hearings on the District of Columbia appropriation bill?

Mr. HAYDEN. Yes; today.

Mr. JOHNSON of Texas. And hearings are about concluded on the public works appropriation bill?

Mr. HAYDEN. We have made satisfactory progress. That is, we have heard all the outside witnesses on the Corps of Engineers projects, but, after having heard from ladies and gentlemen from all over the country who desire certain projects to be constructed, it is necessary to make inquiry of the Corps of Engineers as to what their opinion is of the representations which have been made, and the feasibility of some of the requests.

Mr. JOHNSON of Texas. As I understand, that proceeding is expected to be concluded this week?

Mr. HAYDEN. Yes, but that is only one phase of the public works bill.

Mr. JOHNSON of Texas. I understand the atomic energy and the TVA items will have to be considered.

Mr. HAYDEN. There will have to be considered appropriations for the Tennessee Valley Authority, the Atomic Energy Commission, the Bureau of Reclamation, the Southwestern Power Administration, the Southeastern Power Administration, and the Bonneville Power Administration.

Mr. JOHNSON of Texas. Hearings are being conducted on the reclamation features of the bill, are they not?

Mr. HAYDEN. Yes. They were held on yesterday and the day before.

Mr. JOHNSON of Texas. Again I wish to express my great appreciation to, and my admiration for, the Senator from Arizona, and the very fine committee which he heads. The members have done excellent work this session. I am hopeful, if everything goes according to plan, that all the appropriation bills will be reported and acted on before the beginning of the next fiscal year. I commend the Senator and all the members of his committee.

Mr. HAYDEN. I indulge in no prophecy, but I can say I am exceedingly for-

tunate in having some old, experienced hands on the job, persons who understand the bills and have worked on them before. The situation is very different than it would be if we had greenhorns.

Mr. JOHNSON of Texas. I assume the Senator from Arizona includes the distinguished minority leader in the group he calls old hands.

Mr. NEELY. Mr. President, when the eminent Senator from Arizona [Mr. HAYDEN] said that he had some old and experienced hands on the Appropriations Committee, he looked directly at the distinguished Senator from California [Mr. KNOWLAND]. Therefore, I move to strike out the word "old" so far as Senator KNOWLAND is concerned, and venture to say of him, in Shakespearean language:

Age cannot wither him, nor custom stale
His infinite variety.

IMPORTANCE OF SAVING THE HELLS CANYON DAM SITE

Mr. NEUBERGER. Mr. President, the increasing public recognition of important national policies involved in the struggle to save the great Hells Canyon Dam site has recently been reflected in segments of the American press. This is an indication of the alarm which people feel over the future of their natural resources.

Part of this alarm is the result of what Columnist Thomas L. Stokes described in the June 7 issue of the Washington Evening Star as "a strange sort of report" by a Federal Power Commission examiner.

The FPC examiner found that a high Federal dam at Hells Canyon "would be dollar for dollar the better investment and the more nearly ideal development of the Middle Snake." But, as Mr. Stokes pointed out, the examiner took it upon himself to decide that Congress would not do the right thing—namely, authorize construction of a high dam at Hells Canyon—when confronted with the facts.

I do not share with the examiner his apparent disdain for the willingness of Congress to legislate in the public interest. As I have pointed out before, the Hells Canyon case is a challenge to Congress to exercise its responsibility for true conservation and development of our natural resources. This is the thread of logic which runs through a number of recent newspaper articles regarding Hells Canyon Dam.

I ask consent to have printed in the RECORD the article by Mr. Stokes, a significant editorial from the Oregonian, of Portland, Oreg., of June 2, 1955, and a letter to the editor of that newspaper by Samuel Moment, a noted economist, from the issue of June 6, 1955.

There being no objection, the article, editorial, and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of June 7, 1955]

CRUCIAL TEST ON HELLS CANYON—TRIED-AND-TRUE CONSERVATION POLICIES AT STAKE IN HIGH DAM VERSUS LOW DAM FIGHT

(By Thomas L. Stokes)

The great gash carved by the Snake River along the Idaho-Oregon border, known by the intriguing name of Hells Canyon, is isolated in nature, and seems remote perhaps to you who live in other more tame regions.

But what happens at Hells Canyon in the way of development of the river for electric power, irrigation, flood control and navigation will affect you in the future wherever you live in the United States, as it will affect residents and industry of the great Pacific Northwest. You might as well recognize this; for it is recognized and being acted upon by the highly organized private utility interests which have seized upon the Hells Canyon issue to try to check further development of your rivers by your Government in your interest.

Two principles, each long established, are at stake in the battle over Hells Canyon which will move into the Senate for a showdown shortly.

First is the policy defined half a century ago by President Theodore Roosevelt for integrated development of our water resources for their best utilization for everybody in irrigation, flood control, and hydroelectric power.

Second is whether we will cling to the so-called "yardstick" policy established with the aid of Congress by another and later Roosevelt—Franklin D.—whereby such public projects as TVA and others were created as pilot projects to show what it cost to produce electricity and thus keep rates of privately owned utilities in line.

Both principles would be preserved if the Government is permitted to build a high dam across the Snake River as recommended by the Army engineers. Such a dam would be authorized in a bill sponsored by 29 Senators which is slated for final approval at a session tomorrow by an Interior and Insular Affairs subcommittee that has been considering it, after which the measure would go to the full committee and thence to the Senate floor.

If, instead, this invaluable resource of the people is handed over to the Idaho Power Co., which is chiefly absentee-owned by eastern interests, for proposed piecemeal development by 1 to 3 low dams, it would stop forever the wise, sound, integrated development of the great Columbia River system. The Snake River is a part of this system that is so necessary for the expanding economy of the Northwest. It would also, of course, strike a deadly blow at the "yardstick" policy which, it is no secret, the private utilities are determined to break down.

Sponsors of the Government-built high dam, both in House and Senate, are attempting to exercise the prerogative that belongs to Congress to legalize it and to instruct the Federal Power Commission to license it. The FPC held hearings for months on Hells Canyon. Recently, an FPC examiner issued a strange sort of report. He found that the high dam was the better project for the watershed, but then took it upon himself to decide that Congress never would approve it. Consequently he recommended that the Idaho Power Co. build 1 low dam, instead of the 3 it proposed. The FPC itself has not rendered its decision. Meanwhile, champions of the high dam are taking the initiative in Congress on legislation that would supersede any FPC decision.

How President Theodore Roosevelt in 1908 ordered that the Hells Canyon power site be made a part of our forest reserve so it could be protected by the Government from private exploitation is described in an exhaustive and authoritative study of the Hells Canyon issue by a distinguished economist, Father Mark J. Fitzgerald, a member of the faculty of Notre Dame University, who argues for a federally built high dam.

"It was Theodore Roosevelt's firm conviction that a river system from its headwaters to the sea is a single unit and should be treated as such," he wrote in an article in America, going on to say later that there is more at stake than just Hells Canyon itself.

"If this power source fails of realization, a number of other dams projected in the Columbia Basin may face congressional rejection because their economic feasibility depends on coordination with Hells Canyon. In a larger sense the national conservation policy first set forth over 50 years ago is facing serious danger. Invaluable power sites throughout the Nation, which have been under public protection as part of the Federal conservation program, may become easy prizes for private exploitation at public expense."

As a plain dollars-and-cents matter, he points out how the three low dams proposed by Idaho Power Co. would produce 576,000 kilowatts of power less each year than the projected Government high dam. That would mean 26,000 fewer jobs in industry, about the same number in the service trades, and $180 million less each year in payrolls and more than a half billion dollars less in production annually.

"The oft-cited tax return of almost $10 million per year predicted from the 3-dam project appears small compared to the loss of tax revenue of 4½ times that amount on income and investment from private enterprise that would be excluded from the area because of the high power rates," Father Fitzgerald wrote.

[From the Portland Oregonian of June 2, 1955]

CHAOTIC POWER STRUGGLE

The Hells Canyon riddle, made more complex by the decision of Examiner Costello of the Federal Power Commission, continues to confuse the people of the Northwest with weird angles:

Mr. Costello, it will be recalled, employed many pages and examples to assert the all-round superiority of a single high dam at the Hells Canyon site, advocated as a Federal project, over Idaho Power Co.'s three-dam proposal. Then he recommended a license for just one of Idaho Power's projects, at the Brownlee site. Stepping out of his proper role as an executive employee, he based this decision on the belief that Congress would not vote to build a high dam.

At Missoula, Mont., the other day, ex-Governor Len Jordan, of Idaho, now Chairman of the American section of the International Joint Commission, lashed out at the Canadian Government with whom he is trying to negotiate agreements for American investment in Canadian storage and hydro dams on the upper Columbia and Kootenai Rivers. He termed the Canadian valuation of such storage at 7 mills a kilowatt of capacity fantastic—as, indeed, it is. He urged early and complete development of upriver storage in this country.

But, said Mr. Jordan, who has been a strong supporter of Idaho Power's petitions, this should not be interpreted to mean that he favors a high, Federal Hells Canyon Dam. Storage could be obtained cheaper elsewhere, he said.

This baffling position may be related to (1) Secretary of the Interior McKay's public endorsement of the Idaho Power projects, and (2) Reclamation Commissioner Dexheimer's recent suggestion that the Federal Government build Mountain Sheep and Pleasant Valley Dams in the Middle Snake below the Brownlee site. (A group of private utilities already has been granted preliminary FPC permits to study these projects, with a potential of a million kilowatts—a private financing venture which seems to fit the administration pattern.)

What does all this mean? It could mean that at least one segment of the administration now thinks the full storage capacity of the Middle Snake for at site and downstream power benefits can be obtained by a combination of the million acre-feet Brownlee Dam and a high dam at the Pleasant Valley site backing water up to Brownlee.

This is possible; the Oregonian long ago suggested such a private and public compromise, using the Idaho Power three-dam plan and a high dam at the original Mountain Sheep site which would also tap the Salmon River by means of a diversion tunnel. But Government engineers later ruled out the first Mountain Sheep site because of poor foundations and moved the site upstream, beyond the mouth of the Imnaha River.

But Mr. Dexheimer appears to have made a serious error in calculation, if he means to utilize the entire head of the Snake between the new Pleasant Valley site and the Brownlee site. He suggested a Federal Pleasant Valley Dam 65 feet higher than that proposed by the Northwest Power Co. This would leave about 50 feet of head still not utilized. Should the entire flow be leveled off in a pool to Brownlee, the Pleasant Valley Dam would have a hydraulic height of 692 feet—the world's highest dam. If that is practical, why not Hells Canyon?

Is it any wonder that the people are confused? Or that serious consideration is being given throughout the region to a proposal long indorsed by this newspaper? The latter is a regional power corporation which would resolve these planning and construction projects on a basin-wide foundation, finance public projects by issuing revenue bonds, build new dams according to a master plan (and atomic power plants as well), and wholesale the power at cost to public and privately owned utilities on a fair and equal basis.

The prodding and pulling of private power, public power and governmental agencies are giving the Northwest nothing but chaos. In the meantime, industries and jobs are going elsewhere in the Nation and to Canada. A serious shortage of power will cripple the area in the early 1960's. Again, we offer the self-financing regional power corporation as the only logical solution to these difficulties.

[From the Portland Oregonian of June 6, 1955]

WAY OUT OF CHAOS

To the EDITOR:

Your editorial on June 2, Chaotic Power Struggle, accurately points out that the Northwest is getting nothing but chaos and losing industries and jobs because of the prodding and pulling of private power, public power, and governmental agencies.

Having worked 15 years with the Bonneville Power Administration, I suggest that into the pot of confusion you also throw the following:

1. Secretary of the Interior Douglas McKay rejected the Hells Canyon bill (S. 1333) on May 2, 1955, in a letter to the Senate Interior and Insular Affairs Committee, partly because with transmission lines it would cost the Treasury around $500 million. Yet, to the same committee on February 25, 1955, he approved the Federal upper Colorado River project in S. 500, which will cost the Treasury over $1,600,000,000, and produce power at a cost double that at Hells Canyon Dam.

2. The Federal Power Commission examiner decided on May 8, 1955, that the Hells Canyon Dam would be dollar for dollar the better investment and the more nearly ideal development of the Middle Snake, and would contribute 400,000 more kilowatts of prime power to the Northwest than the inferior Idaho Power Co. proposal. Yet he disapproved Hells Canyon Dam and recommended one of the inferior dams.

3. On June 1, the State engineer of Oregon held up hearings on the proposal of the Eugene Water Board to develop a mere 30,000 kilowatts at Beaver Marsh on the upper McKenzie, possibly interfering with recreation and fishing there and at Clear Lake. So 400,000 kilowatts are to be lost forever at Hells Canyon through private development, forcing Oregon utilities to consider such little dams as the Beaver Marsh project, Pelton on the Deschutes, and others on the Siletz and other coastal streams, hurting sports fishing and the recreation industry.

4. Oregonians are being asked by their Governor and Pacific Power & Light Co. to approve the Columbia Basin interstate compact under which it would have been impossible for Oregon to have obtained the full amount of power it now receives from Bonneville and McNary Dams, and under which it would have been impossible for Oregon to have the chemical and metallurgical industrial plants now located at Troutdale, Springfield, Salem, Riddle, and Portland.

5. The present "partnership" policy of the administration is the same as the one proposed by the board of Army engineers in the 1933 "103" report on the Columbia River. The board recommended against Federal development and in favor of development by local utilities as power was needed. Had that recommendation been carried out, Bonneville, Grand Coulee, Hungry Horse, McNary, The Dalles, and Chief Joseph would never have been built because in the 1930's the utilities in the region contended that there was ample power surplus for years to come.

There are two ways out of the chaos. One is to get back to Federal planning and development of major projects on the same self-liquidating basis that is now so helpful to the taxpayers and to private enterprise. The other is to set up a regional power corporation that you recommend. Either solution can end the chaos and produce for Oregon and the entire Northwest far more low-cost power, new industries, new jobs, flood control, navigation, recreation, sports fishing, and other benefits than the present "partnership" concept.

SAM MOMENT.

REPUBLICAN POLICY—LETTER FROM W. A. CALLAWAY

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Mr. W. A. Callaway, of Charlottesville, Va., and published in the Washington Post of a week ago today, which is as follows:

MESS IN WASHINGTON

In the days of the Democratic dispensation a "mess" was something to be cleaned up; under the Republican renaissance it is something "magnificent." And under the spell of the press agent and of a Hollywood aura a smiling incompetence rolls merrily and ineluctably on to a rude awakening by the citizenry at the polls. Or so I hope.

W. A. CALLAWAY.

CHARLOTTESVILLE, VA.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to give notice that sometime next week, or as soon as possible thereafter, it is planned to have the Senate proceed to the consideration of Calendar No. 243, Senate bill 256, to eliminate cumulative voting of shares of stock in the election of directors of national banking associations unless provided for in the articles of association; also Calendar No. 269, Senate bill 1633, relating to a constitutional convention in Alaska; Calendar No. 361, Senate bill 51, a bill to amend the statutes relating to State jurisdiction over Indians; and Calendar No. 363, Senate bill 922, a bill to amend the Domestic Minerals Program Extension Act of 1953.

I do not know just what day we shall be able to bring those bills before the Senate for consideration. I assure the distinguished minority leader that before I make any motion to proceed to consider any of them I shall give him ample notice. It may be desired to add 1 or 2 bills to the list, but I shall do my very best to cooperate with the distinguished minority leader.

REPORT OF ATTORNEY GENERAL'S COMMITTEE TO STUDY THE ANTITRUST LAWS

Mr. HUMPHREY. Mr. President, I wish to make a very brief statement in reference to the report of the Attorney General's Committee To Study the Antitrust Laws.

The Senate Small Business Committee has been reviewing the report of the Attorney General's National Committee To Study the Antitrust Laws. This report was released March 31, 1955. It is a detailed study of the Sherman Act, the Clayton Act, the Robinson-Patman Act, and the Fair Trade Act, along with the enforcement and administration of these acts by the Federal Trade Commission and the Department of Justice Antitrust Division. Every businessman should be aware of this report, know its contents, and clearly understand the recommendations.

The Attorney General's study of the antitrust laws is of particular importance to all independent business and especially the retail merchant. The recommendations offered concerning the Robinson-Patman Act and the Fair Trade Laws may very well determine the future course of American free enterprise. The Robinson-Patman Act, which prohibits discriminatory pricing, is the Magna Carta of independent business, and particularly the retailer. The enforcement of this act is under the jurisdiction of the Federal Trade Commission. The attitude and the spirit of the Federal Trade Commission is equally important. No law is any better than its administration. A good law with weak administration becomes ineffective. The situation becomes even more intolerable when the basic law is changed either by weakening amendments or administrative rulings.

I respectfully suggest that under the recommendations now before the Attorney General, the basic intent and purpose of these fundamental laws, such as the Sherman Act, the Clayton Act, and the Robinson-Patman Act, can be drastically changed by an administrative rule or regulation.

I have studied carefully the Attorney General's National Committee report on the antirtust laws. That Committee has recommended several drastic changes in the Robinson-Patman Act. All of these changes would serve only to weaken the law. The report recommends the outright repeal of the so-called fair trade law. I vigorously opposed these recommendations, and during the hearings held by the Senate Small Business Committee on the Attorney General's report and recommendations, served notice that I would do all in my power to strengthen the Robinson-Patman Act and to main-

tain the fair trade law. These basic laws need to be enforced, not weakened. They need to be continued and improved, not repealed.

Independent free enterprise must organize and mobilize its manpower and resources to fight against this fundamental change in national wholesale and retail trade policy.

I raise my voice in the Senate to alert the independent businessmen of America to the necessity of organizing and mobilizing their manpower and resources to fight against a fundamental change in national wholesale and retail trade policies.

The independent businessmen of America have worked for years to obtain laws to protect and encourage fair competition. If the recommendations of the Attorney General's committee are put into effect, the standards of fair competition, which have become accepted public policy, will be uprooted, changed, and weakened to a point where our independent retailers will be at the mercy of predatory, unfair price competition.

The recent report of the Federal Trade Commission reveals another threat to our American free-enterprise competitive economy, namely, the rapid growth of mergers and combines, both in manufacturing and wholesaling. Both the Sherman Anti-Trust Act and the Clayton Act were designed to check the tendency toward mergers and monopolistic practices. The existing antitrust laws may very well provide a suitable program for preventing and undoing significant restrictions on competition. But antitrust laws do not enforce themselves. Eternal vigilance by Government is necessary for positive action. Section 7 of the Clayton Act has been weakened due to court and administrative interpretations in the past years. We need an authoritative clarification of section 7. It is this provision of law which was designed to prevent mergers when such mergers would have an adverse effect on competition.

In fact, it has been suggested that the law be changed so that, before a merger takes place, the Federal Trade Commission will be notified, and will be in a position to examine the economic effect of such a merger before the fact—in other words, before the exchange of stocks and the establishment of the new company, because once the new enterprise, or the merger of two or more enterprises, comes into being, it is rather difficult for the Government to act expeditiously.

If we want a free economy, it will require more than merely keeping Government out of business. A free competitive economy requires that Government help maintain the conditions of fair competition. In recent years many businessmen have been concerned about the threat of Government competition with private enterprise. This is a legitimate concern. But, the real threat today is the failure of Government to use the laws that are now on the statute books to prevent monopoly, to curb and restrain unfair trade practices, and to maintain a competitive economic system. Fair competition provides automatic regulation for a free economy. But fair competition is not maintained by just hoping for it. The power of big business today is so immense that it can overwhelm many smaller businesses unless the authority of law is used to protect the weak from the strong and to prohibit discriminatory practices.

What I have just said I have brought to the attention of the business people of the State which I represent in part in the Senate, in the form of a statement and newsletter. I feel that it is important that the business community, particularly the independent retailer and the small manufacturer and wholesaler, recognize the threat which is actually lying on the desk of the Attorney General today, in the body of many of these recommendations.

Mr. President, I now desire to say a few words on another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

DEVELOPMENTS WITHIN THE SOVIET UNION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a news item from the New York Times of May 29, 1955, written by the distinguished expert on the Soviet Union, Mr. Harry Schwartz.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV PUTS PREMIER IN SHADE—BULGANIN IN SECONDARY ROLE TO SOVIET PARTY SECRETARY AT YUGOSLAV PARLEY

(By Harry Schwartz)

In the Soviet talks with the Yugoslavs, Nikita S. Khrushchev has been giving a demonstration that he, not Premier Nikolai A. Bulganin, is the "summit."

This demonstration has interested Western diplomats who have long wondered whether a Big Four conference of heads of government including Premier Bulganin would really be a meeting "at the summit" so far as the Soviet Union was concerned.

In every public appearance in Yugoslavia Mr. Khrushchev, who holds no formal government post but is first secretary of the Soviet Communist Party, has monopolized the spotlight in the Soviet delegation. The silence of Premier Bulganin, his secondary role in pictures of the Soviet team, and the fact that President Tito, of Yugoslavia, has appeared to treat Mr. Khrushchev, not the Premier, as his opposite number and equal in rank, all seem to testify to Mr. Bulganin's subordination to Mr. Khrushchev.

VIEW CONTRADICTED

The formal Russian contention now is that the Soviet Union is ruled by a "collective leadership" rather than one man. To buttress that idea the names of the highest Soviet figures are usually printed alphabetically. The naming of Mr. Khrushchev as leader of the delegation to Belgrade and his conduct there have seemed to contradict this contention, however.

Observers have noted that corroborative evidence on Mr. Khrushchev's leading role was supplied by Marshal Ivan S. Konev in a recent Moscow speech. Marshal Konev not only put Mr. Khrushchev's name first among those responsible for victory in World War II, but also separated Mr. Khrushchev's name from others mentioned. The treatment was similar to that once given Stalin's name. When the speech appeared in Pravda, however, Marshal Konev's wording was changed so as to eliminate this special treatment.

Observers are speculating on the status of others in the Soviet hierarchy. One factor that has aroused special interest has been the absence of Nikolai M. Shvernik, an alternate member of the Communist Party Presidium, and Nikolai N. Shatalin, a member of the secretariat of the Communist Party, from public view in recent months. Both are among the top 15 figures in the Soviet Union.

THE ROLE OF ZHUKOV

There is a strong view in some diplomatic circles, too, that the status of Marshal Georgi K. Zhukov, Soviet Defense Minister, is being exaggerated by Western public opinion.

It is held that this exaggeration arises from the fact that the Western press has attached political significance to the correspondence President Eisenhower said last month he had had with Marshal Zhukov. Actually, it is reliably reported, Marshal Zhukov's correspondence with the President involved only his plea that the United States return Valerie A. Lysikov, son of a Soviet officer, who defected to the West in Berlin and then chose to return to his parents.

The same diplomats believe they discern a studied Soviet effort to reduce Marshal Zhukov's importance before the Soviet and foreign public. Two chief items of evidence are presented for this view.

In Moscow on May 8, Marshal Konev and not Marshal Zhukov held the center of the stage as the orator at the celebration of the tenth anniversary of the defeat of Hitler Germany.

At the same time, Marshal Zhukov was in East Berlin, a subordinate member of a delegation headed by a relatively second-ranking Communist party leader, Mikhail G. Pervukhin. The Zhukov speech in East Berlin received relatively secondary prominence in the Soviet press then.

Mr. HUMPHREY. The article is significant in corroborating two very important developments in the Soviet Union which some of us have brought to the attention of the Senate on previous occasions.

First is the fact that the true leader of the Soviet Union is Mr. Khrushchev, first secretary of the Soviet Communist Party. This reaffirms the all-powerful position of the Communist Party in the Soviet Union, because Mr. Khrushchev holds no formal government position other than his party position. I have pointed this out earlier in the Senate—in fact, 6 or 7 years ago.

Mr. Schwartz points out that in the recent visit of Soviet leaders to Yugoslavia it was Mr. Khrushchev and not Premier Bulganin who monopolized the spotlight and took the position of leadership both in the discussions and in public appearances.

This is significant, Mr. President, because it raises a question in my mind as to whether a Big Four Conference of the heads of government, including Premier Bulganin, would be really a meeting at the "summit" insofar as the Soviet Union is concerned. These developments should be considered very carefully by our Government as it prepares for the conference and as it may build any expectations as to what might conceivably come out of the conference.

In other words, if Mr. Khrushchev was No. 1 in Yugoslavia, and Mr. Khrushchev was No. 1 in forcing through the Austrian Treaty, it seems to me that if there is to be a conference at the "summit,"

as the headlines term it, between the so-called heads of state, we may very legitimately ask the question, "Just who is the head of the Soviet Union?" Is it Mr. Bulganin? If so, why was he No. 2 man in the Soviet entourage in Belgrade, Yugoslavia? I believe our planners and our leaders should give this matter very serious consideration.

It is important to hold the conference, Mr. President, and to go into that conference in good faith. There is, however, reason for us to be cautious with regard to our expectations from the conference if the true leader of the Soviet Union is in fact not present at the conference.

The second item of significance related by Mr. Schwartz refers to the role of Marshal Zhukov, Soviet Defense Minister. I have on a number of occasions pointed out to the Senate that we ought not to be misled into thinking that Marshal Zhukov is in a position of real power in the Soviet Union. The real power is in the Communist Party and it is the Communist Party which dominates all aspects of the Soviet world, including the Soviet military establishments.

Marshal Zhukov is now being cleverly thrust forward by the Soviet Union as a symbol of "reasonableness" in view of his previous associations with leaders of the West, particularly President Eisenhower. Let us again not be misled into thinking Marshal Zhukov's "reasonableness" is a direct reflection of Soviet intentions or of the Soviet power relationships.

Marshal Zhukov will be used as long as he is handy, and as long as he performs what the real hierarchy of the Soviet Union wants him to do. I said sometime ago that I felt placing Marshal Zhukov in the position of Defense Minister was but a further effort to try to divide the West by bringing to the front a very popular World War II hero, who could attract the attention of most of the people of the Western World, particularly at a time when delicate negotiations centered around Germany and the inclusion of Germany's power in the Western defense system.

Mr. Schwartz points out that the role of Marshal Zhukov is being exaggerated by Western public opinion. This undoubtedly arises out of wishful thinking on the part of so many peace-loving peoples. The fact of the matter is that his importance is minimized within the Soviet Union itself and that in fact he is looked upon as a subordinate rather than a high leader in Soviet affairs.

We, in this Nation of ours, desire peace, and hope for international understanding. That can only come about, however, if it is accompanied by a hard-headed realism on our part as to the enemy we face and the obstacles we must overcome. It is to help establish that realism that I make this comment on the floor today.

THE UPPER COLORADO RIVER STORAGE PROJECT

Mr. BENNETT. Mr. President, I have a statement which I had expected to make on the floor of the Senate today. However, time has run out on me. Therefore, I ask unanimous consent that the statement be printed in the body of the RECORD, together with certain newspaper excerpts which are required to complete it.

There being no objection, the statement and the excerpts from newspapers were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENNETT

I am constantly amazed at the tremendous financial resources available in apparently unlimited amounts to a forbiddingly impressive array of high-powered lobbyists who are throwing their money into an all-out fight to kill the upper Colorado River storage project.

The anti-Colorado project lobbyists constitute an intriguing alliance with mutually antagonistic goals, except for their union against the upper Colorado project. They are paced by southern California water and power interests who are providently blessed by the law of gravity which dictates that water belonging to Utah and the upper Basin States shall flow downhill to southern California. With the law of gravity on their side, delay is to their advantage, and they can have their cake and drink our water, too. Their cake consists of nearly a billion dollars of reclamation projects already built in the lower basin made doubly palatable by our water.

Strangely enough, the southern Californians, made wealthy themselves by reclamation, now join with a second group of the triumvirate, the antireclamationists, in attacking the entire reclamation law and program. They ask that the rules which prevailed during their innings should now be changed in the middle of the stream (the Colorado River) and that new rules should be applied to the upper Basin States during our turn.

Of course, southern California power lobbyists are anxious to have the 7,500,000 acre-feet, which belong to the upper basin each year under the Colorado River Compact of 1922, continue to flow uninterrupted through lower basin power plants. Our water is being wasted into the Pacific Ocean at a prodigious rate of 4 million acre-feet annually and is used for the sole purpose of furnishing firm power at dump power rates to industries in the Los Angeles area. We in Utah and the upper basin have been subsidizing cheap power to southern California for two decades and they seem overly greedy in their present efforts to forbid us the use of our share of the Colorado water.

In spending their money for delay, the southern California lobbyists flee piously, on selective occasions, to the Colorado River Compact, portions of which they say are now in issue before the Supreme Court. However, they conveniently overlook the fact that even if all the points in contention are resolved against the upper basin, there will still be available to the upper basin much more water than we can possibly put to use in the entire upper Colorado project.

The third group in the triple entente consists of the so-called conservationists. Early in the game they opposed only the Echo Park Dam and assumed a cloak of objectivity about the remainder of the project. However, this illusion of objectivity has been totally dispelled by their recent statements happily embracing the antireclamationists and southern California interests in wholesale opposition to the complete project.

Since the conservationists' Echo Park invasion theory into the national parks has been totally exploded, both on legal and on moral grounds, they undoubtedly find it more comfortable at this juncture to debate economics rather than rely on their outmoded argument. They must feel rather sheepish as they contemplate the thousands upon thousands of dollars which they have wasted ostensibly in the name of protecting our national parks. It must be sobering indeed for these conservationists to realize the tremendous good which they could have accomplished if they had spent their wealth on improving the national parks and monuments instead of wasting it on a baseless issue.

I hope that the rank and file of sincere conservationists will demand an accounting from their national leaders who are wasting the money and who appear to be more interested in conserving their jobs than they are in conserving water and our national parks.

The triumvirate is headed by a fascinating group of lobbyists. One of them, employed by some of the California interests, is Mr. Northcutt Ely, a high-powered and high-priced attorney, who, the Library of Congress tells me, reports receiving over the past 4 years almost a quarter of a million dollars from a few of the California water interests. He is, of course, fighting the project.

But the most intriguing lobbyist is Mr. Fred Smith of New York, a professional public relations consultant. He revealed to a New York Herald Tribune reporter last December that sometime ago he, with his assistant, a Mr. Provin, had formed a two-man council of conservationists. This was an effective device by which tax-free groups of conservationists, who couldn't use their own organizations to lobby without risk of losing their tax-free status under section 501–C–3 of the Internal Revenue Code, could develop a campaign against a power dam in the Adirondack Mountains. When the firm was hired to fight the Colorado River project, Mr. Smith beefed up the 2-man council with 5 new men, each of whom is an official of a tax-free conservation group. He explained to the reporter that these men were careful to serve only as individuals in order to stay within the law.

Mr. Smith also said that last year he had received between $25,000 and $30,000 from one man to fight the project if it included the Echo Park Dam. In commenting on his 1955 activities, he made the statement that he didn't know where the money was coming from but that he had been told "we can get all the money we need."

[From the Washington Post and Times Herald of May 18, 1955]

ECHO PARK PLAN

In your issue of May 4 Senator WATKINS denies that he was trying to confuse the public on the Echo Park Dam issue. In that connection your readers might be interested in the statement made by Senator WATKINS' colleague, Senator BENNETT, as quoted in the Salt Lake Tribune of April 21.

After describing the Senate vote as an important step ahead for the upper Colorado project, he said: "Our strategy of moving quickly without giving the opposition a chance to develop undue strength apparently worked well."

I know of no more devastating admission of weakness in a case than that statement. In a fair debate there is never any question of moving quickly in order to choke off the opposition before the judges' decision is given. It may perhaps be a defensible move in political maneuvering, but before the bar of American public opinion, which is bound to judge this debate in the long run, it is a dead giveaway of intention to confuse.

C. EDWARD GRAVES,
Western Representative, National Parks Association.
CARMEL, CALIF.

[From the Washington Post and Times Herald of May 28, 1955]

THE UPPER COLORADO RIVER PROJECT

Thanks for publishing on May 18 the letter of the Californian, C. Edward Graves, who

claimed that I am afraid to permit adequate time for a fair debate of the upper Colorado River project. Thus you put me in an "I'm-glad-you-said-that" position and permits an explanation for my statement.

We in the West have good cause to fear the power of the wealthy anti-Colorado River project lobbyists and their damaging program of "propaganda for delay." One has only to glance at the reported incomes and expenditures of some of these lobbyists, made available by the Federal Lobby Act, to realize just how much wealth and power these individuals and groups have at their command to pour into this fight.

A very significant measure of the power of this lobby is its ability to get access to the columns of important national magazines with articles that present its propaganda—magazines that have denied us the opportunity to present our story on the grounds that "the issue is not controversial." This is a striking contrast with the impartial attitude taken by the Washington Post and Times Herald.

When I view this alarming concentration of wealth and power which is bold enough to brag about its unlimited resources, it is small wonder that I expressed a certain sense of relief in seeing the Senate act promptly. There are no wealthy patrons to support us in the Mountain States to meet this publicity challenge.

In his letter, Mr. Graves says I made a devastating admission of weakness because I wanted to choke off the opposition before the judges' decision is given. Certainly, he must have made that statement with his tongue in his cheek, for this project has been under consideration for many years. In 1950, the Department of the Interior conducted open hearings and came to the conclusion that the Echo Park Dam was the necessary wheelhorse dam for the project. In 1951, full hearings were held in both Houses of Congress and ample time was allowed for each side. This year there has been another set of hearings in both Houses with time for full presentation. Actually, we had reached a stage where we were hearing the same arguments from the same people. The conservationists and southern California water wanters were dancing to the same tune, with only the change of date to vary the theme.

The thing that has concerned all of us in the West is that when the discussion moves from the committee to the floor of the House (and the longer the time for consideration is delayed), the greater opportunity these people will have to increase their propaganda in a stepped-up program based on emotion. Even we from the West have been deluged with this propaganda, ranging in style from blatantly deceptive figures about interest cost to expensive, beautifully bound, slick paper books presenting carefully chosen photographs of the area calculated to create the impression that it is unique and irreplaceable.

But, we who live in this area know that before this propaganda storm was created, no more than a handful of persons a year visited this area. We know that, taken as a whole, it is a parched, arid waste, whose basic features are repeated many times all over the region. We know that the name "dinosaur" came from a quarry far removed from the Echo Park area, from which the only known dinosaur bones in the region were removed many years ago.

We are not blind to beauty or the appeal of the primitive West. We firmly believe that if the dam is built, it will not only help make it possible for us to use the water, but it will make the area accessible to millions of Americans, and not just to the wealthy or adventurous few.

The Colorado River compact, which gave the upper States a right to approximately one-half of the waters of the Colorado, was signed 33 years ago. Under it, southern California has grown and blossomed. Over those years we have seen our water flow away to be wasted in the Pacific, to choke Lake Meade behind Hoover Dam with silt, or to be absorbed by selfish interests in the lower basin, who not only have their share of the water but want ours, too.

These powerful lobbies who work on the emotions of people far removed from the area, and thus indirectly upon the fears of their congressional representatives, know that every day and year of delay brings the time closer when the people at the end of the river can acquire rights by use to that share of the water which was reserved by compact to the upper basin States. With so rich a prize at stake, every dollar they spend with their professional lobbyists must seem to them a good investment.

Do you wonder, after hearings that stretch over 5 years, that we fear further delay and rejoice when Congress acts promptly?

WALLACE F. BENNETT,
United States Senator from Utah.

SUGAR LEGISLATION

Mr. KUCHEL. Mr. President, the sugar industry of America is in trouble. I was very happy to join with a group of Senators from the sugar-producing areas of our country in introducing proposed legislation to assist the industry. The last sugar legislation adopted by Congress was in 1951. In that year American citizens who were engaged in the production of sugar voluntarily accepted restrictions in order to permit one foreign country to bring its sugar production back to normal levels.

I congratulate the junior Senator from Utah [Mr. BENNETT], who announced earlier today that the Departments of Agriculture and State have apparently agreed upon a series of recommendations for sugar legislation at this session of Congress.

I trust that those recommendations may provide a basis upon which adequate and reasonable legislation may be enacted by Congress. In my position as a California citizen, I can testify to the need for remedial action by the Federal Government.

Yesterday I received a letter from the distinguished Governor of California. It outlines the plight in which the sugar industry of California finds itself.

I ask unanimous consent that the letter may be printed at this point in the RECORD, and I commend to my colleagues in the Senate the argument which my friend, the Governor of California, makes with respect to this problem.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF CALIFORNIA,
Sacramento, June 1, 1955.

Hon. THOMAS H. KUCHEL,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Notwithstanding your splendid efforts, as a coauthor of S. 1635, in sponsoring legislation to bring relief to the domestic sugar industry through amendments to the Sugar Act of 1948, the conditions facing this important industry are becoming so increasingly critical that I feel it has become imperative that I urge your special attention to the present need for prompt action by Congress.

As you know, rapid technological developments and improved farming methods have increased sugar-beet tonnage per acre by 20 percent since 1948. Domestic areas have been subject to acreage reductions under the Sugar Act; but during the last 2 years, the application of its restrictions has resulted in increasingly sharp curtailment of domestic production in order to remain within the rigid marketing quotas.

Last year, sugar-beet acreage was 10 percent less than it was during the year before the first Sugar Act went into effect, but production has more by 14 percent, or nearly 2 million tons. The present fixed quota of 1,800,000 tons will result in a further acreage reduction of 10 to 15 percent this year by growers in most of the 22 beet-producing States; while farmers who have not been growing beets have little or no chance of obtaining permission to plant sugar beets, although they are vitally neded for proper crop rotation.

The continuance of the restrictions in beet plantings presents an immediate threat to the economy of every beet-producing community. Production is exceeding marketing quotas in spite of acreage cuts, with the result that sugar producers are faced with rapidly increasing inventories. These inventories must be reduced; but their reduction will further curtail sugar production with resulting loss of work for thousands of persons and with severe economic hardship, not only to the farmers and farm workers, but to all other persons involved in the production, transportation, and processing of sugar beets, as well as those in related activities.

The present plight of the sugar industry is the direct result of certain provisions of the Sugar Act of 1948, and amendments adopted in 1951, when the domestic sugar industry generously accepted restrictions in order to permit Cuba to bring its sugar production back to normal levels. It is a matter of record that at that time, our domestic sugar industry's representatives reserved the right to ask Congress to review the fixed quotas if circumstances should change materially before the act's expiration date of December 31, 1956.

Today circumstances have not only altered but it has become imperative that the sugar industry obtain prompt relief from the hardships it is undergoing as a result of its willingness to help a sister nation. Our domestic industry seeks only a fair share of the ever-increasing American market. Today no portion of the increasing American sugar consumption can be supplied by our own industry; but all of it is reserved for Cuba and other foreign producers.

The increasingly distressed condition of California's important sugar industry, as well as that of the other 21 Western States, two Southern States, and the Territory of Hawaii, has become so critical that prompt and effective action is now imperative.

May I urge you to remind your colleagues in the Congress, in connection with this legislation, that the remedial action they are asked to take at this time represents a minimum recognition of the basic principles of equity and justice. The right of American citizens to enjoy their just and historic share of the ever-expanding American market is one whose recognition throughout this Nation's legislative and judicial history, has been the primary cause of this country's present world position as the champion of free enterprise and individual liberty.

I am sending this same letter to Senator KNOWLAND and to all Congressmen from California, in order to call their attention to the present need for immediate action.

Cordially,

GOODWIN J. KNIGHT,
Governor.

LEIF ERICSSON

Mr. BUTLER. Mr. President, when introducing his resolution to provide for the erection of a statue of Leif Ericsson in the District of Columbia, my good friend the Senator from Washington [Mr. MAGNUSON] stated that the "intrepid Viking set foot on our New England coast in the year A. D. 1002."

Without minimizing the purpose of Senate Joint Resolution 74, I should like to bring to the attention of the Senator from Washington [Mr. MAGNUSON] and the Members of the Senate that more recent calculations would seem to indicate that Leif Ericsson landed in the Chesapeake Bay area, south of Washington, D. C. While I am unable to speak on the subject with any degree of authority, and despite the statement of the Senator from Virginia [Mr. BYRD], sitting on my left, that Leif Ericsson landed first in Virginia, I should like to believe that, in the light of the new developments, the great Viking explorer and navigator first touched the soil of the great free State of Maryland.

My search to obtain confirmation of this belief was prompted by the following observation which appeared in the October 25, 1954, issue of Newsweek magazine:

OSLO.—Startling new calculations by Norwegian historians make it seem probable that Leif Ericsson, who sailed to America around A. D. 1000, landed in the Chesapeake Bay area rather than the northern United States, as previously supposed.

Investigation of this report by the information service of the Embassy of Norway has brought forth the following excerpts from editions of its bulletins entitled "News of Norway," which I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the News of Norway of October 14, 1954]

WHERE DID THE VIKINGS LAND?

For several generations, leading scholars have discussed and advanced conflicting theories as to the location of Vinland, where Leiv Eirikson made his first landing in North America, about A. D. 1000, or some 500 years before Columbus. Now, an authoritative study of this and related problems has been written by Dr. Almar Naess, a noted Norwegian mathematician-navigator.

Published by Dreyer A/S, Stavanger, Hvor LÅ Vinland? is in large measure based on calculations made by the late M. M. Mjelde (1862–1924), an experienced navigator, who later became press attaché at the Norwegian Legation in London. According to Mr. Mjelde's uncompleted findings, Vinland was situated at 36'54'' latitude north, or much farther south than previously assumed.

Dr. Naess arrives at nearly the same conclusion. According to his calculations, which occupy 45 pages, the Leiv Eirikson camp and thus Vinland could not have been farther north than 36' latitude north. Consequently, the northern limit of Vinland must be sought in Chesapeake Bay, somewhere south of Washington, D. C.

His scholarly work also discusses other Viking voyages to North America, as described in the sagas. Moreover, Dr. Naess presents reasons for his belief that the old Norsemen had developed a compass. (See News of Norway, vol. 11, No. 9.)

[From the News of Norway of March 4, 1955]

VIKING COMPASS

Bergens Tidende reports that a round oak disk, unearthed in southern Greenland, strongly indicates that the ancient Vikings indeed had developed an effective navigation instrument for use on their voyages across the North Atlantic, from Norway to Iceland, thence to Greenland, and eventually to North America, about a thousand years ago. As restored by curator Peder Soleim, of Bergen Fisheries Museum, the disk actually appears to have been a bearing finder, with 32 directions carved around the edge, same as on a mariner's compass. Judging from runic inscriptions, the disk dates back to around 1200 A. D.

The find was made in 1951 by the Danish archeologist C. L. Vebaek. Digging under the floorboards of the Benedictine cloister ruins in Siglufjord, he discovered a number of wood and iron tools with runic inscriptions. He also found a semicircular oak disk, with a hole in dead center and evenly spaced notches around the edge, clearly suggesting that it had been designed to serve as a direction finder.

In reconstructing the original disk, curator Soleim assumed that the center hole must have been intended for a loosely fitted handle, with a pointed pin thrust vertically into the upper end, and a direction indicator extending from the base of the pin to the edge of the disk. Held against the noon sun, with the shadow from the pin falling on the notch for due south, the disk would act as a compass. By turning the handle and therewith the attached indirection indicator, the Viking navigator would thus have been able to set his course quite accurately. In similar manner, he could find his way at night by means of the Polar Star, which the old Norsemen called leidarstjerna.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BUTLER. I am happy to yield to my friend from Minnesota.

Mr. HUMPHREY. I am extremely gratified to have the Senator's additional historical clarification of the achievements and exploits of that great Viking, Leif Ericsson. Although Leif Ericsson may well have landed in the Chesapeake Bay area, I am proud to say, as a citizen of the State of Minnesota, that many of his offspring have landed in my State. I am equally proud to say, as one who had a Norwegian-born mother, that hearing words about Leif Ericsson spoken in the Senate does something to my 50-percent Norwegian blood. I thank the Senator.

Mr. BUTLER. I am very happy that my remarks have made the Senator from Minnesota happy, which is always a desire on my part.

RECESS TO FRIDAY

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 3 o'clock and 40 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Friday, June 10, 1955, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 8, 1955:

IN THE ARMY

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 759, 80th Congress, Public Law 36, 80th Congress as amended by Public Law 37, 83d Congress, and Public Law 625, 80th Congress:

To be major

Fried, Julian J., MC, O445972.

To be captain

Garbarino, Robert J., MC.

To be first lieutenants

Ceccarelli, Frank E., MC, O1938834.
Christensen, John F., JAGC, O999587.
Delmer, Jacqueline A., WAC, L1010553.
Fink, Barbara P., ANC, N901320.
Granger, Carl V., Jr., MC, O4021741.
Guernsey, Louis H., DC, O1922045.
McGregor, John G., Jr., MC, O2268824.

To be second lieutenants

O'Brien, Elizabeth A., WMSC, J100195.
Slawson, Elizabeth F., WAC, L1010742.
Steinbach, Edna M., WAC, L1020656.

The following-named persons for appointment in the Medical Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to completion of internship:

Armstrong, Frederick S.
Faircloth, James R.
Gottlieb, M. Milton, O2273755.
Hathaway, Clinton R., Jr., O2273863.
Hooper, Donald
Lawler, James C., O4038154.
Murphy, Frank P., O4040591.
Toll, Richard J., O4030394.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

To be first lieutenants

Belteau, Robert J., O1882147.
Blaser, Charles O., O1879035.
Browning, Freddie L., O1924831.
Buchan, Earl K., O1331599.
Burch, George L., O1919307.
Campbell, Clarence P., O1341629.
Carlson, William E., O2003049.
Chrisco, Robert H., O990881.
Clohecy, Richard M., O1874475.
Cochran, James F., III, O1882297.
Cress, William, O2263400.
Dooley, Michael J., O2203883.
Drenkhahn, Andrew O., O2208884.
Evans, John C., O982816.
Finsterle, James C., O993779.
Fountain, Foster F., Jr., O2021008.
Gause, Joseph W., Jr., O2206386.
Gilliam, Robert, O1885305.
Gould, Jack W., O1924854.
Hardin, Harold F., Jr., O2102996.
Heffelfinger, Edwin C., O1341782.
Hooker, Robert W., O1913239.
Ison, Glenn W., O981716.
Jerrett, Robert M., O1338957.
Kugler, Robert N., O1917791.
Leeper, John J., O1333494.
Lindorff, Robert L., O2262938.
MacDonald, Hugh A., O2262792.
Marine, George E., O998862.
Matkovich, Ludwig D., O957641.
McCord, Sherwood J., Jr., O2021046.
Meeker, Ernest L., O1876411.
Milligan, George, III, O1876778.
Morris, John P., O2014615.
Murrie, Burt J., O1876522.
O'Rahilly, Patrick J., O971438.
Palmer, Harold B., O1874555.
Palmore, Glenn L., O996795.
Pelosky, Edwin F., O1913395.
Piercefield, Fremont, O2262732.
Poole, Grady R., O961472.

Powell, Royce M., Jr., O1882612.
Shareck, Everett P., O1924705.
Sullivan, John P., Jr., O1876446.
Tinker, Martin, Jr., O1881624.
Traylor, Robert J., O1886559.
Waldron, Garald L., O2030466.
Weston, Robert A., O973559.

To be second lieutenants

Allen, Stanley C., O1932302.
Andrews, Wilson P., O1886686.
Basic, Nick J., O1933679.
Blalock, Charlie L., O1937674.
Boggs, Joseph C., O4011681.
Butler, Don A., O1888126.
Butler, Frank C., Jr.
Dunn, Charles H., O1890402.
Evans, Ira K., Jr., O1933661.
Frenier, Julius A., O1925794.
Heath, Bobby R., O4009037.
Hendricks, Arthur D., O1889346.
Hoyle, Frank E., O1931301.
Jobert, A. Philip R., O4030594.
Logan, Francis S., O1936241.
Lynch, Gordon P., O1936684.
Marcy, Edwin J., Jr., O4026393.
McIntosh, John H., O1883468.
McIntosh, Theodore W.
McKenzie, Colin W., Jr., O1935197.
Meadows, Benjamin T., O1880696.
O'Connor, Edward C., O1893054.
O'Donohue, John D., O1926777.
Olin, Irwin D.
Porter, Clair E., A1935804.
Pulver, Elmer W., O1937642.
Riggs, Harold B., O1935393.
Riley, Clemens A., O1936158.
Robinson, Edgar B., Jr., O4009111.
Schnarr, Charles A., O1931099.
Solomon, Robert B., O1937873.
Stewart, David T., O1935188.
Ward, Edward W., O4007016.
Whipple, Richard G., Jr., O2103511.
Zoeckler, William R., O1932484.

The following-named distinguished military student for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Larson, Richard H.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, effective June 15, 1955, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Dancer, Earl W., Jr.
Lange, John H.

The following-named distinguished military students for appointment in the Regular Army of the United States, effective June 15, 1955, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Akin, Havis D.
Ameel, Joseph B.
Anderson, Karl R., Jr.
Anderson, Valjean C.
Ashe, Oliver R.
Barrett, Gilbert J.
Beach, Edmund J.
Bihler, John O., Jr.
Bookout, Jerry P.
Bradshaw, Don L.
Brown, Arnold K., Jr.
Browning, William W., Jr.
Buice, Randall A.
Burnette, Charles D.
Cabral, Walter K.
Case, Franklin D.
Chouinard, Richard J.
Cochran, Glen V.
Cohen, Sydney G.
Collier, Gary D.
Costello, Charles J.
Count, Elmer E.
Daves, Phillip E.
Delahunty, Thomas C.
Delifus, Edward
Diamond, George B.
Dodd, Calvin G.
Draper, Edwin L.
Edmunds, William R.
Fair, Cecil G., Jr., O2266383.
Farrell, Robert D.
Feeley, Robert F.
Fox, Frederick W.
Foy, Robert A.
Fucella, Edward D.
Gange, William B.
Goodger, Charles J.
Greene, Donald J.
Griffen, Charles F.
Gudger, Robert M.
Hall, Harry T.
Hamel, John F., Jr.
Hammond, Rudolph E., O4041563.
Hannum, Alden G.
Haught, V. Ronnald
Henry, John D.
Hess, John P.
Hoffman, Glenn F.
Huff, Roy P., Jr.
Jacobs, Talmadge J.
Janek, Floyd R.
Janning, Thomas B., O4004813.
Janson, Paul J.
Lascola, Harry R.
Lauthers, David E.
Lilje, Donald H.
Lillich, Edward R.
Luetge, Arnold E.
Macedonia, Raymond M.
Mahaffey, Fred K.
Maney, John D.
Marino, Andrew S.
Maynes, George E.
McCormick, John J.
McKay, Gerald E.
McKinley, John R.
McMichael, Donald E.
Merchant, Frederic L., Jr.
Miller, Charles G.
Mitchell, Glenn W.
Mourer, Dennis J.
Muckenhirn, Charles F., O4041538.
Murdock, Norman A.
Murphy, Walter H.
Murray, Roland N., Jr.
Parson, Joe W.
Pfeil, Kenneth A.
Pillitteri, Salvatore J.
Polak, Alexander P.
Powers, Donald L.
Priore, Fortunato R.
Reed, Paul R., O4041570.
Richardson, George A., Jr.
Rinedollar, John D.
Roddy, Patrick M.
Rosie, Gerald J.
Roth, Robert H.
Royal, Charles M., O4025575.
Schelhorn, Carlton L.
Schukar, Harry T.
Settle, Thomas A.
Shepardson, John A.
Simoni, Richard J.
Spinelli, Angelo R., Jr.
Stout, Anthony N.
Strimbu, George
Sutton, James L.
Svirsky, William R.
Trigg, Jasper A.
Wallace, James W.
Ward, Thomas J.
Watson, Robinson R.
Waterman, Stephen, III
Wegley, Frederick L., Jr.
Wescott, Charles E.
Winne, Ross W., Jr.
Woolworth, Wesley B.
Yuhas, Robert J.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 8, 1955

The House met at 12 o'clock noon.

The Reverend Charles Edward Berger, St. Anne's Episcopal Church, Annapolis, Md., offered the following prayer:

Almighty God, the fountain of wisdom, whose statutes are good and gracious, and whose law is truth: We beseech Thee to guide and bless the House of Representatives of the United States of America, that it may ordain for our governance only such things as please Thee, to the glory of Thy name and the welfare of the people. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2126. An act to extend and clarify laws relating to the provision and improvement of housing, the elimination and prevention of slums, the conservation and development of urban communities, the financing of vitally needed public works, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House with amendments to a bill of the Senate of the following title:

S. 654. An act to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans, and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2061. An act to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1956

Mr. KIRWAN. Mr. Speaker, I call up the conference report on the bill (H. R. 5085) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 731)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5085) "making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 27 and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 5, 7, 9, 10, 16, 20, 23, 28, 29, 30, 31, 32, 33, 35, 41, 42, 44, 45, 49, and 50, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,450,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$41,764,995"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$26,635,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,350,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,425,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,728,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,609,500"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"For an additional amount for expenses necessary for carrying out the provisions of the Act of August 24, 1949, as amended (48 U. S. C. 486–486j), to remain available until June 30, 1959, $3,000,000, of which not to exceed $525,000 shall be available for administrative expenses: *Provided*, That funds previously appropriated under this head shall remain available until June 30, 1959."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,300,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$35,511,500"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,735,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,272,500"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,337,129"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "*Provided*, That the Smithsonian Institution is authorized without regard to section 505 of the Classification Act of 1949, to place two positions in GS–18, two positions in GS–17, and one additional position in GS–16 of the General Schedule established by said Act"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"Unless otherwise provided by law, appropriations"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6, 8, 11, 14, 15, 18, 21, 24, 34, 36, 38, 46, and 47.

MICHAEL J. KIRWAN,
W. F. NORRELL,
ALFRED D. SIEMINSKI,
DON MAGNUSON,
CLARENCE CANNON,
BEN F. JENSEN,
IVOR D. FENTON,
Managers on the Part of the House.

CARL HAYDEN,
DENNIS CHAVEZ,
HARLEY M. KILGORE,
WARREN G. MAGNUSON,
SPESSARD L. HOLLAND,
EARLE C. CLEMENTS,
RICHARD B. RUSSELL,
KARL E. MUNDT,
MILTON R. YOUNG,
WILLIAM F. KNOWLAND,
EDWARD J. THYE,
HENRY C. DWORSHAK,
EVERETT M. DIRKSEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5085) making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

Office of the Secretary

Office of Minerals and Mobilization

Amendment No. 1: Appropriates $225,000 as proposed by the Senate instead of $250,000 as proposed by the House.

Bureau of Land Management

Management of Lands and Resources

Amendment No. 2: Appropriates $13,450,000 instead of $13,400,000 as proposed by the House and $13,500,000 as proposed by the Senate.

Bureau of Indian Affairs

Education Welfare Services

Amendment No. 3: Appropriates $41,764,995 instead of $41,675,000 as proposed by the House and $41,864,995 as proposed by the Senate. A total of $400,000 has been provided for the item "Maintaining Law and Order."

Resources Management

Amendment No. 4: Appropriates $12,432,000 as proposed by the Senate instead of $12,332,000 as proposed by the House.

Construction

Amendment No. 5: Appropriates $7,979,003 as proposed by the Senate instead of $2,847,356 as proposed by the House.

Amendment No. 6: Reported in disagreement.

Amendment No. 7: Increases the number of acres of land to be purchased within the Klamath Indian reservation from 8 acres as proposed by the House to 15 acres as proposed by the Senate.

Administrative Provisions

Amendment No. 8: Reported in disagreement.

Tribal Funds

Amendment No. 9: Makes available from Tribal funds $3,100,000 as proposed by the Senate instead of $3,200,000 as proposed by the House.

Amendment No. 10: Strikes out House language relating to compensation for attorneys.

Amendment No. 11: Reported in disagreement.

Geological Survey

Surveys, Investigations, and Research

Amendment No. 12: Appropriates $26,635,000 instead of $26,285,000 as proposed by the House and $26,985,000 as proposed by the Senate.

Amendment No. 13: Makes available $4,350,000 for the state cooperation program for water resources investigations instead of $4,000,000 as proposed by the House and $4,700,000 as proposed by the Senate.

Bureau of Mines

Conservation and Development of Mineral Resources

Amendment No. 14: Reported in disagreement.

Amendment No. 15: Reported in disagreement.

National Park Service

Management and Protection

Amendment No. 16: Appropriates $9,825,000 as proposed by the Senate instead of $9,800,000 as proposed by the House.

Construction

Amendment No. 17: Appropriates $5,425,000 instead of $3,725,000 as proposed by the House and $5,776,400 as proposed by the Senate. The additional projects and the reprogramming of funds under this heading as set forth in the Senate report are approved by the conferees of both Houses.

Amendment No. 18: Reported in disagreement. The motion will provide language requiring full and final payment to the sculptor on the new figure for the victory monument at Yorktown, Va. It is the desire of the conferees that the Park Service accept delivery of the figure, upon completion, at its present location and that everything possible be done to expedite final settlement in conformance with the provisions of the bill language.

Construction (Liquidation of Contract Authorization)

The conferees on the part of both Houses are in agreement that the Park Service should not enter into any obligations for the construction of Fort Drive, Route FD1A, MacArthur Boulevard to Nebraska Avenue, grading and other work, 1.1 miles, R–206; Nebraska Avenue overpass, R–210. The conferees of both Houses are also in agreement that the funds programmed for the George Washington Memorial Parkway: grading and draining, District of Columbia City line to Cabin John, 3 miles, R–11 (portion) may be obligated as proposed in the Budget but that the maximum possible protection shall be provided to maintain the C. & O. Canal and the lands bordering it in their natural state.

Fish and Wildlife Service

Management of Resources

Amendment No. 19: Appropriates $6,728,500 instead of $6,650,000 as proposed by the House and $6,753,500 as proposed by the Senate. The conferees on the part of both Houses are in agreement that within the funds provided $5,000 is to be used for operation of the Frankfort Fish Cultural Station at 100 percent capacity, and $20,000 is to be used for the propagation of fresh water mussels.

Investigations of Resources

Amendment No. 20: Appropriates $4,187,000 as proposed by the Senate instead of $3,977,000 as proposed by the House.

Construction

Amendment No. 21: Reported in disagreement. The managers on the part of the House will move to insert language proposed by the Senate providing for the continua-

tion of construction of the Devil's Kitchen Dam in the Crab Orchard Wildlife Refuge, Illinois. This action, agreed to in conference, will be taken with the understanding that the sale of water from this completed project to municipalities and industries will result in a substantial return to the Treasury of the United States.

Funds available from the prior year appropriations shall be available for the projects listed in the Senate report.

Office of Territories

Administration of Territories

Amendment No. 22: Appropriates $2,609,500 instead of $2,600,000 as proposed by the House and $2,619,000 as proposed by the Senate.

Trust Territory of the Pacific Islands

Amendment No. 23: Appropriates $4,500,000 as proposed by the Senate instead of $4,000,000 as proposed by the House.

Amendment No. 24: Reported in disagreement. The motion will be to insert language to establish for the fiscal year 1956 a revolving fund for loans. This is a temporary expedient in the absence of organic legislation. Such legislation is urgently needed for guidance of the appropriations committees in considering proposed programs for this critical area.

Alaska Public Works

Amendment No. 25: Eliminates House language making available only those funds previously appropriated and appropriates $3,000,000 instead of $5,000,000 as proposed in the Senate language.

The conferees of both Houses are concerned about the large unobligated balances being carried over each year in a number of the Department's construction programs. More realistic estimates and a general tightening up of fiscal controls on such programs will be expected in the future.

Construction of Roads, Alaska

Amendment No. 26: Appropriates $6,300,000 instead of $4,800,000 as proposed by the House and $7,800,000 as proposed by the Senate.

Administration, Department of the Interior

Salaries and Expenses

Amendment No. 27: Appropriates $2,065,000 as proposed by the House instead of $2,081,000 as proposed by the Senate.

General provisions, Department of the Interior

Amendments Nos. 28, 29, 30, 31, 32, and 33: Make technical corrections in language.

Amendment No. 34: Reported in disagreement.

Amendment No. 35: Corrects reference to title.

Amendment No. 36: Reported in disagreement.

Amendment No. 37: Strikes out language relating to vehicles proposed by the Senate. The managers on the part of the House feel that the House should consider such language if it is later proposed and opportunity is provided to explore the need for it.

TITLE II—RELATED AGENCIES

Department of Agriculture

Amendment No. 38: Reported in disagreement.

Forest Service—Salaries and expenses

Nation Forest Protection and Management

Amendment No. 39: Appropriates $35,511,500 instead of $32,411,500 as proposed by the House and $37,111,500 as proposed by the Senate.

Control of Forest Pests

Amendment No. 40: Appropriates $2,735,000 for control of white pine blister rust instead of $2,570,000 as proposed by the House and $3,000,000 as proposed by the Senate.

Amendment No. 41: Appropriates $3,537,500 for carrying out the Forest Pest Control Act as proposed by the Senate instead of $2,367,500 as proposed by the House.

Amendment No. 42: Earmarks $3,137,500 as proposed by the Senate instead of $1,967,500 as proposed by the House for apportionment for use pursuant to section 3679 of the Revised Statutes.

Amendment No. 43: Changes figure to reflect the correct total for funds appropriated under the "Control of Forest Pests" heading.

Forest Research

Amendment No. 44: Appropriates $7,754,000 as proposed by the Senate instead of $7,254,000 as proposed by the House.

Acquisition of Lands for National Forests

Amendment No. 45: Inserts heading.

Amendment No. 46: Reported in disagreement.

Amendment No. 47: Reported in disagreement.

State and Private Forestry Cooperation

Amendment No. 48: Appropriates $11,337,129 instead of $10,683,690 as proposed by the House and $12,983,690 as proposed by the Senate.

Cooperative Range Improvements

Amendment No. 49: Deletes subheading.

Amendment No. 50: Appropriates $700,000 as proposed by the Senate instead of $400,000 proposed by the House.

Smithsonian Institution

Amendment No. 51: Strikes language proposed by the House and inserts language proposed by the Senate amended to provide specific grades for 5 supergrade positions.

TITLE IV—GENERAL PROVISIONS

Amendment No. 52: Inserts language proposed by the Senate amended to provide a technical correction.

MICHAEL J. KIRWAN,
W. F. NORRELL,
ALFRED D. SIEMINSKI,
DON MAGNUSON,
CLARENCE CANNON,
BEN F. JENSEN,
IVOR D. FENTON,
Managers on the Part of the House.

Mr. KIRWAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 7, line 9, insert ", of which not to exceed $11,647 shall be available for reimbursing the city of New Town, N. Dak., for the cost of improvements to streets and appurtenant facilities adjoining property under the jurisdiction of the Bureau of Indian Affairs, and not to exceed $40,000 shall be available for assistance to the public-school district for constructing additional classroom facilities at Seligman, Ariz."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 9, line 15, insert "advance payments for service (including services which may extend beyond the current fiscal year) under contracts executed pursuant to the act of June 4, 1936 (25 U. S. C. 452), and legislation terminating Federal supervision over certain Indian tribes."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 11, line 10, insert ": *Provided further,* That not to exceed $100,000 from the funds credited to the Indians of California under the act of May 18, 1928 (45 Stat. 602), for expenses of moving and relocating houses available to said Indians under the act of August 2, 1954 (68 Stat. 590, 613), but not more than $300 may be expended for any house: *Provided, however.*"

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 14, line 3, strike out "$12,893,000" and insert "$13,393,000."

Mr. KIRWAN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 14, line 8, insert:

"Construction

"For the construction of the necessary laboratory and pilot-plant facilities for conducting research on the distillation of coal and the products obtained therefrom and the direct reduction of low-grade iron ores to their minerals, $2,000,000, to remain available until expended: *Provided,* That the products derived from such facilities may be sold by the Bureau of Mines and the receipts therefrom deposited in the Treasury as miscellaneous receipts."

Mr. KIRWAN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 16, line 25, after the figure insert ", of which not to exceed $100,000 shall be available for additional payments for the execution of the new figure for the Yorktown Monument, upon the completion of the figure to the satisfaction of the Secretary, and the Secretary may release the contractor from all obligations with respect to the removal of the present damaged figure, the repair of the shaft, and the mounting of the new figure on the shaft."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ", of which $100,000 shall be available for the completion of payments for the execution of the new figure for the Yorktown Monument, upon the completion

of the figure to the satisfaction of the Secretary, and the Secretary shall release the contractor from all obligations under the contract with respect to the removal of the present damaged figure, the repair of the shaft, and the mounting of the new figure on the shaft: *Provided*, That prior to any payments made pursuant to this provision the contractor shall release the Government from any and all claims arising from the execution of the figure or any presently existing contract between said contractor and the United States Government: *Provided further*, That the sum provided herein is in addition to the sum of $59,000 specified in contract No. I–100np–147."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 19, line 12, insert:

"Construction

"For construction and acquisition of buildings and other facilities required in the conservation, management, protection, and utilization of fish and wildlife resources and the acquisition of lands and interests therein, $1,000,000 to remain available until expended: *Provided*, That the funds appropriated herein for the continuation of the construction of the Devils Kitchen Dam on the Crab Orchard Wildlife Refuge, Ill., shall be transferred to the Corps of Engineers, Department of the Army."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 22, line 24, insert ", of which $500,000 shall be available for the establishment of a revolving fund for loans to locally owned private trading companies."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KIRWAN moves that the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ", of which $500,000 shall be available for the establishment of a revolving fund for loans to locally owned private trading enterprises, to continue during the fiscal year 1956."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 27, line 20, after "title" insert "or in the Public Works Appropriation Act, 1956."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 28, line 10, insert "or in the Public Works Appropriation Act, 1956."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: Page 30, line 7, insert:

"AGRICULTURAL RESEARCH SERVICE

"Salaries and expenses

"Research: For the construction of roads at the National Arboretum in accordance with the provisions of the act of March 4, 1927 (Stat. 1422, 20 U. S. C. 191–194), $150,000: *Provided*, That the construction of said roads may be performed by the Bureau of Public Roads, Department of Commerce."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 36, line 9, insert:

"Weeks Act

"For the acquisition of forest lands under the provisions of the act approved March 1, 1911, as amended (16 U. S. C. 513–519, 521), $190,000, to be available only for payment of the purchase price of any lands acquired, including the cost of surveys in connection with such acquisition: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 36, line 20, insert:

"Special Acts

"For the acquisition of land to facilitate the control of soil erosion and flood damage originating within the exterior boundaries of the following national forest, in accordance with the provisions of the following act authorizing annual appropriations of forest receipts for such purposes, and in not to exceed the following amount from such receipts: Cache National Forest, Utah, act of May 11, 1938 (Public Law 505), as amended, $10,000: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned."

Mr. KIRWAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 654) to amend the Servicemen's Readjustment Act of 1944 to extend the authority of the Administrator of Veterans' Affairs to make direct loans and to authorize the Administrator to make additional types of direct loans thereunder, and for other purposes, with Senate amendments to the House amendment, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendment, as follows:

Page 1, line 2, after "That", insert "subsection (a) of."

Page 4, line 19, strike out "June 30, 1956" and insert "June 30, 1957."

Page 4, line 22, strike out "June 30, 1956" and insert "June 30, 1957."

Page 4, line 25, strike out "June 30, 1957" and insert "June 30, 1958."

Page 5, lines 3 and 4, strike out "June 30, 1956" and insert "June 30, 1957."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, this bill which provides for an extension of the direct loan program of the Veterans' Administration was passed by the House on last Thursday, June 2. It passed by having the bill H. R. 5715, which I had the honor to sponsor, inserted as an amendment for the entire bill. Identical bills were sponsored by the following Members: Messrs. SHUFORD, North Carolina; WEAVER, Nebraska; AYRES, Ohio; ELLIOTT, Alabama; JONES, Alabama; and SELDEN, Alabama.

As approved by the Senate, this legislation would have extended the direct loan program for 2 years until June 30, 1957, authorized $200 million each year for financing the program, and made other technical changes in the law. As reported by the Committee on Veterans' Affairs and passed by the House, H. R. 5715 extended the direct loan program for 1 year to June 30, 1956, provided $150 million for financing the program, established a formula of relationship between direct loans and guaranteed loans, and made certain that loans for veterans on the farm would be treated in the same manner as loans for veterans in small towns and communities.

Mr. Speaker, the Senate has now concurred in the amendment of the House with an amendment of its own which keeps all of the House language intact except for extending the program for 2 years until June 30, 1957, rather than 1 year as contemplated by the House bill. The Subcommittee on Housing of the Committee on Veterans' Affairs unanimously believes that this is a reasonable amendment, and I have talked to other colleagues on the committee, who concur in our decision that the Senate amendments should be approved. It is for that reason, Mr. Speaker, that I moved that the House concur in the Senate amendments to the House amendment to S. 654.

The Senate amendments to the House amendment were concurred in.

A motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. REUSS asked and was given permission to address the House today for 45 minutes following the legislative program and any special orders heretofore entered.

Mr. UDALL asked and was given permission to address the House on Tuesday next for 40 minutes, following the legislative program and any special orders heretofore entered.

ADMINISTRATION'S "NEW LOOK" RECKLESSLY THREW AWAY TIME WHILE SOVIET CONDUCTED CRASH PROGRAM TO BUILD AIR POWER

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, I observe with satisfaction that the Air Force has decided to step up the production of modern, fast long-range jet bombers of the latest B–52 model.

I very frankly give credit to the Members of Congress for the situation in which the Air Force is able to make this announcement—for the simple fact that the Air Force has the capacity to step up the production of anything to meet the growing threat of Soviet air power.

It was 2 long years ago, Mr. Speaker, when we were told that the New Look in defense expenditures from the military expert in the White House would enable us to grow stronger by cutting our goals and spending less money.

It now turns out that at the exact time we were cutting our defenses and our preparation, in the name of dollar economy, the Russians obviously were carryout something of a crash program.

At the very time we decided to let ourselves grow progressively weaker, the Soviets undertook a program of growing progressively stronger, so that our relative position has clearly changed for the worse.

Members of this House and our colleagues in the Senate are responsible for the fact that things are no worse. We warned against the New Look 2 years ago. I, myself, in 1953, when orders came down from on high that the 143-wing Air Force goal must be scrapped, warned on the floor that we might run into serious dangers in 1955 and 1956.

I warned that it simply was not true that we got stronger in the air by cutting our spending for airpower. I cited the wise comment of Senator RUSSELL, of Georgia, who said that, if cutting the Air Force by $5 billion made it stronger, why not cut it $10 billion and make the Air Force twice as strong.

Now the 2 long years have passed and the blunders cannot easily be erased. Time is the essential ingredient and we have recklessly thrown away time.

We have a belated confession that a mistake was made; that the all-knowing military expert was wrong; that we must now step up our procurement.

I am glad that the Air Force is able to order a stepup in deliveries of actual planes in existence, capable of fighting in combat-trained units, ready to match the Soviet airpower, of which we have alarming reports. I am glad that the belated confession of error has come.

I suggest, however, that we still need a 1955 New Look at the tragically mistaken 1953 New Look. We checked part of the damage but not all. I think we need a completely new appraisal—a serious 1955 appraisal—to see whether we cannot salvage more than the self-glorified experts think we can.

The responsibility for the reappraisal rests right here. It rests with the Armed Services Committee of this House, which should schedule full-scale hearings to determine the facts on what we still need for national security.

I think we should have the facts, no matter how ugly or disturbing. We need executive hearings, with complete frankness from intelligence sources, to give this House the benefit of the facts.

I, for one, am not willing to trust the advice of any one man, no matter how experienced in commanding armies in a single theater in a war now 10 years old, to tell us we can trust our responsibilities elsewhere.

The final appropriations for the armed services have not yet been cleared by the Congress. The time for us to get the facts—to make a reappraisal—is before the ultimate decisions are made. We should take more steps—new steps—to start rebuilding American strength in the air as rapidly as possible.

BIG FOUR MEETING

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, according to the press, leaders of the administration have been warned by the White House not to rock the boat by any inflammatory or speculative speeches or statements on foreign policy prior to or during the meeting of the Big Four at Geneva next month. I applaud this directive if it will lead to less confusion at home and among our allies abroad as to what the true intentions of this Nation are in world affairs.

Despite this directive there seems to be some confusion remaining as to whether or not the Big Four meeting should be played up. Vice President NIXON recently said that it was the last hope for peace in the world. For this he was chided by members of his own party who felt that he was creating an expectation which the conference might not meet.

It seems to me that this conference could accomplish something of tremendous importance even if not one single protocol or treaty is signed, and that something is a relaxation of world tensions. That is what we need now, first and foremost. If there should come from this conference a relaxation of world tensions, then the nations of the world can thenceforth work together in a peaceful attitude toward specific agreements with real hope of success.

There are grave questions in both Europe and Asia. The future of Formosa and her subsidiary islands is at issue. The future of a united Germany is at issue. It does not seem to me that either of these questions is capable of firm solutions at this time. It will take far more time and far more patience to solve these perplexing questions than is available between now and the end of the pending conference.

We should not, and I believe must not, expect such solutions at this conference. What we can achieve, however, is a relaxation of tensions around the world which eventually will allow a calmer appraisal of these and other problems. If we can do this, it will be a real achievement.

Russia started the cold war. When the Marshall plan was proposed she made the break that divided the world into distinct camps. It was an historic mistake. It led to the rearmament of the United States and its allies. When she faces us at the conference she will be facing a nation which occupies a position of strength. But I hope that we can use that position not to bluster, but in a manner of reasonableness. We must maintain our new-found strength, Mr. Speaker, but at the same time, until we are assured of genuine disarmament everywhere, I hope that our negotiators will speak in the accents of peace. If the nations meeting at Geneva can emerge from it in an attitude and an atmosphere of reasonableness, and one might say humility in the face of the great task of keeping the peace which is the supreme challenge of our time, then the world will be far along toward the concrete solutions which may be decided later.

AUTHORITY OF FEDERAL COURTS IN ADMINISTRATION OF EDUCATIONAL SYSTEMS IN STATES

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, I rise in support of H. R. 3769, introduced by the distinguished gentleman, Mr. FORRESTER. The purpose of the bill is to prohibit the courts of the United States and all Federal agencies from deciding or considering any matter drawing in question the administration by the several States of their respective educational systems.

In my opinion, Mr. Speaker, we are faced with the greatest crisis this country has ever faced. The Supreme Court of the United States has arrogated unto itself powers it never has been given by the people. They have flouted past decisions of that Court and contrary to all judicial principle and legal precedent have changed our Constitution which has been such a bulwark to our people since the Founding Fathers set up this great country of ours.

As a result of the decision of the Supreme Court declaring segregation unconstitutional the officials in my section of Virginia are faced with the greatest problems they have ever faced in their lives. The officials and people of Prince

Edward County are now at the crossroads. They must make a decision as to the operation of their schools. They need the help, guidance, and assistance of the best minds in the Commonwealth of Virginia. It is not right, fair, or just for them to have to meet the issue alone because it affects all of our people. I congratulate the people of Prince Edward on the determined stand they have taken, and it is now incumbent upon the other counties and the officials of the Commonwealth of Virginia, legislative and executive, to join hands with the citizens of Prince Edward because it is our joint problem and together find the proper solution.

I realize that many Members of this body do not understand nor recognize the problem that we in the South face today. Our forefathers came over to this country and founded a civilization second to none. Through sweat, blood, and tears they set up a government of the people, by the people, and for the people; but in recent years we have seen the Federal Government grow into a giant octopus that is gradually squeezing the freedom and rights from our people. Unless we stop the spread of this octopus, our people will soon be vassals of the Government. I call on all those who believe in the rights and freedom of the individual, who believe in the sovereignty of our States, who believe that the Government was founded for the people, to get behind this bill and help preserve our way of life in America today. I know not what course others may pursue, but as far as I am concerned, I stand foursquare behind the officials and people of Prince Edward County and expect to lend them all the support and help that I am capable of, and I call upon the officials in the surrounding counties and of the Commonwealth to do likewise and not wait until it is too late.

GOVERNMENT LIABILITY FOR USE OF COPYRIGHT PROPERTY

Mr. CRUMPACKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CRUMPACKER. Mr. Speaker, it has long been an established principle that the Federal Government shall not appropriate private property without making just compensation to the owner thereof. The constitutional language on this point may be found in the provision of the fifth amendment which states: "nor shall private property be taken for public use without just compensation." For most types of property this constitutional provision has been implemented by legislation permitting a property owner to bring suit against the Federal Government when he believes that just compensation has not been made, as for example in the fields of admiralty, contracts, torts, and patents. In the case of patent property, section 1498 of title 28, United States Code, provides that—

> Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

There is, however, one form of property, property in copyrights, for which existing law does not provide a definite, workable and equitable procedure for the property owner. There has been no specific legislative provision authorizing suits against the Government as there has long been for patents; and the legal situation is thus ambiguous. Federal officers and employees are personally liable for infringements of copyright done in the course of their official duties—*Towle* v. *Ross* (D. C., Oregon, 1940, 32 F. Supp. 125); but this is inadequate remedy for the copyright owner and also one which is inequitable for the Federal employee who may be ordered to take an action and then find himself held personally liable.

I have today introduced a bill (H. R. 6716) designed to correct this situation both with respect to the copyright owner and to Federal officers and employees. The bill is based in general upon the related provisions now existing for patents, but with modifications appropriate to the nature of copyright property. Provision is made for suits in the district courts as well as in the Court of Claims. In addition recourse to administrative remedy under the procedure of the Tort Claims Act is made available for claims up to $1,000. During the next few months I hope that the various Government agencies, the bar associations and the several industry and professional groups concerned with copyright will review the bill carefully so that we may have the benefit of their suggestions and advice before proceeding with further legislative consideration.

CONGRESSIONAL CHARITY BASEBALL GAME

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, yesterday our good friend and colleague the gentleman from Florida [Mr. HERLONG] said these words:

> There is going to be the usual debacle out at Griffith Stadium this evening when the Democrats will again trounce the Republicans in the annual charity baseball game.

He also said as follows:

> I want to give the Democrats every assurance that we will win. You can make your preparations to clean up, because we are going to take care of the Republicans again tonight.

As usual the Democrats talked a good game. The Republicans did the cleaning up. The score is much more eloquent than I can be—Republicans 12, Democrats 4.

REPUBLICANS WIN BALL GAME

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include the box score and the article from the Evening Star on the game played last night at Griffith Stadium.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, my friend and colleague, the gentleman from New York [Mr. DEROUNIAN], has very aptly summarized the results of last evening's activities at Griffith Stadium. A large share of the credit for this victory is the result of the capable managing of the Republican team by my colleagues, the gentleman from Wisconsin [Mr. DAVIS] and the gentleman from Washington [Mr. TOLLEFSON].

Under unanimous consent, I include the article from today's Evening Star at this point in today's RECORD:

GOP WINS BASEBALL GAME, 12 TO 4—REAL VICTOR IS SUMMER CAMP FUND

(By Richard Rodgers)

Hungry after years of losing to the Democrats, the Republicans got fat last night, 12 to 4, in the annual congressional baseball game.

The real winners, of course, were the needy youngsters benefited by the Evening Star summer camp fund, sponsor of the game.

Representative GLENN DAVIS, of Wisconsin, pitcher and comanager of the Republicans, allowed four hits. His own team collected 10 hits off 3 Democratic throwers.

Some 2,000 persons cheered, sneered, and doubled in laughter in Griffith Stadium as the GOP took its second victory in the 8 years the Star has sponsored the contest.

Not since 1949 have the Republicans been able to do much about their opponents. This was largely because of DON (FIREBALL) WHEELER, of Georgia, who year after year pitched the Democrats to success. Mr. WHEELER was not around this season, his constituents having benched him in the last election.

Military bands and drill units participated in a parade before the game. In another sideshow, two model plane experts staged a "dogfight."

Chief Justice Earl Warren threw out the first ball. From then on, dignity deteriorated.

The battle went something like this:

FIRST INNING

Republicans: Ohio's WILLIAM H. AYRES doubled to center. The Democrats immediately filed telegrams to all wards, requiring quick reassessment of the opposition strength. THOR C. TOLLEFSON, of Washington perpetrated an infield out. Mr. AYRES took advantage of it by moving to third base. STEVEN B. DEROUNIAN, of New York, singled his Ohio friend to the first run, and scored himself on a double by Comanager GLENN R. DAVIS, Wisconsin. Mr. DAVIS made the third run when an accomplice went to first on a deplorable relay.

Democrats: HUGH Q. ALEXANDER, North Carolina, was unable to hit the ball. One out. But OLIN E. TEAGUE, the Texan, cracked an appropriate Texas League single. Alas, he was thrown out at second when ROBERT E. JONES, the Alabamian, hit into a fielder's choice. Mr. JONES stole second. But he was rash enough to be picked off.

SECOND INNING

Republicans: The GOP made 3 runs after the first 2 men were out. BRUCE ALGER,

Texas, struck out; ELFORD A. CEDERBERG popped to short. Mr. AYRES, up for his second time, singled. The pitcher stopped his drive but, flat on his dignity, was unable to locate the ball behind him before Mr. AYRES reached first base. Mr. AYRES then stole second and when the throw went awry, kept going to third base. Wisconsin's MELVIN R. LAIRD came in to run for him. Mr. LAIRD scored on Mr. TOLLEFSON's single. Mr. TOLLEFSON stole second. Wasn't there a lot of larceny, though! He scored on Mr. DEROUNIAN's second single. Mr. DEROUNIAN also stole second, then stole third, and arrived home on the catcher's bad throw. Co-manager DAVIS walked and was replaced on first base by PHIL WEAVER, of Nebraska. Inspired by his predecessors, Mr. WEAVER stole second, where he was stranded as Nebraska's CARL T. CURTIS grounded out.

Democrats: Trailing by six runs, the Democrats put EUGENE J. MCCARTHY, of Minnesota, up at bat. He whiffed. TORBERT H. MACDONALD, the pitcher, waited out a walk. He stole second and got home on a double by New Jersey's HUGH J. ADDONIZIO. The New Jersey man also scored, on a single by FRANK M. CLARK, of Pennsylvania. L. MENDEL RIVERS, of South Carolina, hit a single. California's HARLAN HAGEN stood in for Mr. RIVERS and went to third on a single by WILLIAM H. NATCHER, Kentucky. Mr. NATCHER had lost a ball the preceding pitch, knocking it into the right-field stands for the longest hit or near-hit of the night. A walk loaded the bases. But then two batters struck out. Democratic National Headquarters sent tracers on its earlier telegrams.

THIRD INNING

Republicans: California's DONALD L. JACKSON reached first on a wild throw. GERALD R. FORD, Jr., Michigan, singled him to second. Each advanced a base on a wild pitch. Mr. ALGER again struck out. Mr. CEDERBERG walked, loading the bases. Mr. AYRES, singularly successful up to now, popped out. Mr. TOLLEFSON, however, still had the range. He singled, scoring two friends. Mr. DEROUNIAN's fly to center ended it.

Democrats: It went quickly. Mr. MCCARTHY lined one to Mr. TOLLEFSON, who, recovering from his surprise, flung it to first in time. Pitcher MACDONALD fouled out. After fouling four pitches, Mr. ADDONIZIO struck out.

FOURTH INNING

Republicans: They batted around again. Mr. DAVIS singled and CHARLES M. TEAGUE, the California TEAGUE, relieved him of running. Mr. TEAGUE advanced a base on a fielder's choice. Mr. JACKSON walked and PAUL A. FINO, New York, entered to run for him. Another walk filled the bases. Mr. ALGER withdrew as a courtesy to DEWITT S. HYDE of Bethesda, who struck out. SAM COON of Oregon, batting for Mr. CEDERBERG, singled in Mr. TEAGUE and then permitted WILLIAM C. CRAMER, Florida, to run for him. Mr. AYRES walked. Since the bases were loaded, that scored Mr. FINO. Mr. TOLLEFSON reached first on a mismanaged grounder, scoring another run. THOMAS L. ASHLEY, Ohio, entered to pitch for the Democrats and struck out Mr. DEROUNIAN, ending the inning.

Democrats: Mr. CLARK flied to center. Substituting for Mr. RIVERS, ALFRED D. SIEMINSKI of New Jersey grounded out, pitcher to first. Mr. NATCHER, a bulwark for his party, singled. JAMES M. QUIGLEY, Pennsylvania, walked. A wild pitch advanced both runners. A fumble let in a run and put Colorado's BYRON G. ROGERS on first. A slow roller terminated that Democratic turn at bat.

LAST INNING

Republicans: Ardor undimmed, the GOP kept on working. Pitcher DAVIS was reserving his strength but his substitute drew a walk, stole second and reached third on a passed ball. Mr. TEAGUE, pinch-hitting, walked. The Democrats called a caucus. Mr. ADDONIZIO became their pitcher and T. JAMES TUMULTY, New Jersey, took over defensive duties at third. Mr. TUMULTY, the weightiest figure on the Hill, filled practically all the second-to-third baseline. WILLIAM C. CRAMER, Florida Republican, walked. Mr. FINO entered as a pinch-hitter, and fanned. Mr. LAIRD took over at homeplate for Mr. ALGER, forcing a confederate at home but achieving first base himself. Mr. ADDONIZIO yielded the pitching duties to Mr. MCCARTHY. The new pitcher promptly walked a man, forcing in the Republicans' final run, then struck out Mr. AYRES.

Democrats: An added starter, whose name didn't even make the program, JOHN JAMES FLYNT, Jr., singled to center. Halfway to first he stumbled and went flat on his face. But he made it the rest of the way in time. L. H. FOUNTAIN, North Carolina, batting for Mr. MCCARTHY, walked. Affairs were looking up. Raindrops were falling and the trailing team was considering a filibuster. But Mr. TUMULTY hit a fly, and a runner was thrown out, leaving the Democratic hopes to JAMES ROOSEVELT, California. Mr. ROOSEVELT was voted down by pitcher DAVIS, on a strikeout.

THE BOX SCORE

Republicans

	AB.	R.	H.	O.	A.	E.
Ayres, lf	4	1	2	0	0	0
[1] Laird	1	1	0	0	0	0
Tollefson, 3b	4	1	2	2	2	0
Derounian, cf	4	2	2	1	0	0
Davis, p	2	1	2	0	2	0
[2] Weaver	0	0	0	0	0	0
[3] C. Teague	0	2	0	0	0	0
Curtis, c	2	0	0	6	0	0
Jackson, 2b-rf	2	1	0	3	1	0
[4] Fino	1	1	0	0	0	0
[5] Cramer	0	0	0	0	0	0
Ford, 1b	2	2	1	3	0	0
Alger, ss	2	0	0	0	1	1
[6] Hyde	1	0	0	0	0	0
Cederberg, rf	1	0	0	0	0	0
[7] Coon	1	0	1	0	0	0
Totals	27	12	10	15	6	1

Democrats

	AB.	R.	H.	O.	A.	E.
Alexander, lf	1	0	0	0	0	0
[8] Quigley	0	0	0	0	0	0
Roosevelt, lf	1	0	0	0	0	0
Teague, 2b	2	0	1	0	1	0
Rogers, 2b-ss	1	0	0	0	1	0
Jones, ss	2	0	0	1	1	1
[9] Harris	1	0	0	0	0	0
Magnuson, 2d	0	0	0	0	0	0
McCarthy, 1b	2	0	0	4	0	0
Thompson, 1b	0	0	0	0	0	0
[10] Flint	1	0	1	0	0	0
Macdonald, p	1	1	0	0	2	1
Ashley, p	0	0	0	0	0	0
[11] Fountain	0	0	0	0	0	0
Addonizio, 3b-p	2	1	1	0	0	1
Tumulty, 3b	1	0	0	0	0	0
Clark, c	2	1	1	9	0	2
Rivers, cf	1	0	1	1	0	0

[1] Ran for Ayres in 2d, stole a base, and scored; ran for Ayres in 4th and hit into a fielder's choice for Alger in 5th.

[2] Ran for Davis in 2d and stole a base, and walked for Davis in 5th.

[3] Ran and scored for Davis in 4th, walked and scored for Curtis in 5th.

[4] Ran and scored for Jackson in 4th, struck out for Ford in 5th, and ran for Coon in 5th.

[5] Ran for Coon in 4th, walked for Jackson in 5th.

[6] Struck out for Alger in 4th.

[7] Singled for Cederberg in 4th, walked for Cederberg in 5th.

[8] Walked for Alexander in 4th.

[9] Grounded out for Jones in 4th.

[10] Singled for Thompson in 5th.

[11] Walked for McCarthy in 5th.

THE BOX SCORE—continued

Democrats—Continued

	AB.	R.	H.	O.	A.	7.
[12] Hagen	0	0	0	0	0	0
[13] Sieminski	1	0	0	0	0	0
Edmondson, cf	0	0	0	0	0	0
Natcher, rf	2	1	2	0	0	0
Udall, rf	0	0	0	0	0	0
Totals	21	4	7	15	5	5

[12] Ran for Rivers in 2d.

[13] Grounded out for Rivers in 4th.

Republicans	3	3	2	3	1—12
Democrats	0	3	0	1	0— 4

Runs batted in—Ayres, Tollefson (3), Derounian (2), Davis, Coon (2), Addonizio, Clark, Natcher. Two-base hits—Ayres, Davis, Addonizio, Natcher. Stolen bases—Macdonald, Jones, Ayres, Tollefson, Derounian (2), Weaver (2). Sacrifice—Curtis. Double play—Jackson to Tollefson. Left on bases—Republicans, 10; Democrats, 6. Bases on balls—Off Davis, 4; off Macdonald, 5; off Ashley, 2; off Addonizio, 1; off McCarthy, 1. Struck out—By Davis, 6; by Macdonald, 4; by Ashley, 1; by Addonizio, 1; by McCarthy, 1. Hits—Off Macdonald, 10 in 3⅔ innings; off Ashley, 0 in ⅓ inning; off Addonizio, 0 in ⅔ inning; off McCarthy, 0 in ⅓ inning. Runs and earned runs—Off Davis, 4–3; off Macdonald, 11–7; off Ashley, 1–1; off Addonizio, 0–0; off McCarthy, 0–0. Wild pitches—Davis, Macdonald. Passed balls—Clark (2). Umpires—Davis, Juniano, Wagner, Garland. Time—2:27. Attendance 2,000.

PERSONAL INCOME

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I am amazed at the continued efforts the prophets of gloom and doom are making to convince us that we are headed into a depression. Without challenging the purposes or motives of any Member of the Congress, I cannot help but wonder at the flood of propaganda being inserted in the RECORD by some who apparently think they would gain political advantage from a recession of major proportions.

Fortunately the campaign to convince us we are on a greased track to economic perdition and chaos cannot help but fail in the face of our booming, expanding economy.

In the Washington Post and Times Herald for June 6 appears the following interesting article about our soaring personal income. The facts contained in this short story from a newspaper that has never been hesitant to point up our economic shortcomings should prove an effective dam to counteract the flood of depression talk with which we are being deluged:

PERSONAL INCOME SOARS TO RECORD $295.6 BILLION

Personal income rose to a new record rate of $295.6 billion per year in April, the Commerce Department reported yesterday.

The April increase continued a trend which started last November. The biggest part of the increase was a result of more people finding factory jobs, particularly in industries which produce metals, nonelectrical machinery, and some durable goods.

The take-home portion of this record personal income—that is, the amount left over

after taxes—is also a record. In the first quarter of 1955, take-home pay was at a record rate of $260.6 billion per year. The individual rate was $1,586 per year, another record.

Total personal income in April was running $1 billion higher than in March, which was the previous record. It was $11 billion higher than a year ago.

The highest point reached in the 1953 business boom was an annual rate of $287.5 billion at midyear.

These personal-income figures include wages, salaries, the income of partnerships and proprietorships (including farms), dividends, interest, and rent collected by the landlord.

LEGISLATIVE PROGRAM FOR THE REMAINDER OF THIS WEEK

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, may I inquire of the majority leader if he is able to tell us the program for tomorrow?

Mr. McCORMACK. If we dispose of the 2 bills programed for today, on tomorrow there will be 2 rules to be considered, the 1 on the Bank Holding Company Act and the 1 regarding the Trinity River project. There will be just the adoption of the rules.

Mr. MARTIN. The legislation will go over to next week?

Mr. McCORMACK. The consideration of the bills will go over until next week. Without holding myself definitely to this program, the probabilities are that the bank holding company bill will come up on Monday for general debate only. If I can, I shall assign it for general debate only on Monday, with debate under the 5-minute rule on Tuesday.

The program for today, of course, is the consideration of the 2 bills I have mentioned, and the rules on these 2 bills will be acted on first.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during general debate today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEFENSE APPROPRIATIONS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I rise again doing my daily stint in directing the attention of the House to the fact that if you were voting today on the defense appropriation bill you would not be voting the same bill you told me 3 weeks ago you would not give $1 more for. The Defense Department has now asked you to give $356 million more than you voted 3 weeks ago, and I asked you to restore the cuts in the Marine Corps, the Army, and the Navy, which would be just about the same amount in dollars that the Department of Defense then said was unnecessary and that this House refused to vote, but which the Department now wants as added funds to accelerate plane production.

Yesterday the Deputy Director of Logistics for the Navy advised the Nation that the Soviet Navy has moved from seventh place to second place and leads the world in submarines. Let me tell you that in the great new field of guided missiles the Soviet Government is far, far ahead of you and going farther and faster.

That is the situation. That is the defense appropriation bill today. Somebody made a mistake.

Mr. Speaker, in this game there is no second prize.

COMMITTEE ON EDUCATION AND LABOR

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on School Construction of the Committee on Education and Labor be permitted to sit during general debate today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CONTROLLED REGULATION OF BANK HOLDING COMPANIES

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 265, No. 735), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6227) to provide for the control and regulation of bank holding companies, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. No amendments shall be in order to the portions of the bill beginning on line 7, page 19, and ending on line 13, page 30, amending the Internal Revenue Code, except amendments offered by direction of the Committee on Banking and Currency and such amendments shall be in order notwithstanding any rule of the House to the contrary, but shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous questions shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

MUSEUM OF HISTORY AND TECHNOLOGY, SMITHSONIAN INSTITUTION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 259 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6410) to authorize the construction of a building for a Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications, and all other work incidental thereto. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time yield myself such time as I may consume.

Mr. Speaker, House Resolution 259 which will make in order the consideration of the bill (H. R. 6410) to authorize the construction of a building for a Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications, and all other work incidental thereto, provides for an open rule with 1 hour of general debate.

H. R. 6410 would authorize and direct the regents of the Smithsonian Institution to plan and to have constructed, under the direction of the Administrator of the General Services Administration, a building to be used by the Smithsonian Institution as a National Museum of History and Technology.

According to the report on this bill, Mr. Speaker, the building would be erected between 12th and 14th Streets and Constitution Avenue and Madison Drive, NW., and the design would be approved by the Commission of Fine Arts.

In addition to the above provisions, H. R. 6410 would establish a joint congressional committee to advise with the regents of the Smithsonian Institution in the planning of the building and this Commission would report to the Congress periodically on the progress that was being made in the construction of the building. There would be 10 members of this Commission: 5 Senators and 5 representatives, and 3 of the Senators and 3 of the Representatives would be the respective members of the Board of Regents of the Smithsonian Institution.

H. R. 6410 would also authorize the appropriation of not more than $36 million to build the museum and as the report on the bill points out this building would house the collections now on dis-

play in the present Arts and Industries Building which is 75 years old. There are more than 800,000 objects crowded into the present building and the space is totally inadequate for the advantageous types of display that such objects should have. More than 5 million visitors enter the institution annually and we all know that when a visitor comes to Washington the Smithsonian Institution is always high on the list of places that must be visited.

The objects that are presently on display and the objects that would be on display if the space were available are an invaluable record of our past history and achievements. When we visit this institution and see for ourselves what our forefathers have created and the progress that has been made in so many fields, most of us, I am sure, feel a well of pride spring up. The articles themselves are an inspiration to our generation of Americans and they should be arranged in such a way that they will have the full and complete effect upon the viewers that they should. I hope that the House will adopt the rule and that the bill itself will pass.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, the able gentleman from Missouri has explained the rule and the main provisions of the bill. There is no objection on this side that I know of either to the rule or the bill.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

INTER-AMERICAN HIGHWAY

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 260) providing for the consideration of H. R. 5923, a bill to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5923) to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

I yield myself such time as I may consume.

Mr. Speaker, House Resolution 260 which will make in order the consideration of the bill (H. R. 5923) to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway provides for an open rule with 1 hour of general debate on the bill.

Mr. Speaker, H. R. 5923 is designed to expedite the completion of the Inter-American Highway by providing the basic statutory authority for accelerating its completion. The authority would provide for the completion of the 2 or 3 links in the road between the United States and Panama City which have not been finished. The highway has been under construction at various times since 1934 and up to 1955 the sum of $53,723,000 has been appropriated by Congress to take care of the United States share in the project.

In order to complete the Inter-American Highway within 3 years it will be necessary to spend $112,470,000. The United States would contribute $74,980,000 while the other cooperating Central American countries would appropriate $37,490,000 in order to complete the road.

The Federal Aid Highways Act of 1952 and 1954 provided an authorization of $56 million to finish the project but since that time it has been determined that an additional $25,730,000 would be necessary.

Funds appropriated against the original $56 million authorization have amounted to $6,750,000 which leaves a balance of $49,250,000 plus the new additional cost of $25,730,000 which must be appropriated in order to finance our share of the highway.

Mr. Speaker, the completion of the Inter-American Highway has been recommended by the President, the Departments of State, and Commerce, as well as the Bureau of Public Roads. The President in his message for supplemental appropriations recommended the full amount needed and in the interests of defense, improved commerce, and tourist travel and in general economic progress this highway should be completed. I hope that the rule will be adopted and that the bill itself will pass. This highway has been a slowly developing dream for a great many years. It would be of incalculable benefit to the whole Western Hemisphere. I feel that it is time that the Inter-American Highway became a completed and functioning reality.

Mr. Speaker, I reserve the remainder of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I would like to make inquiry of someone who knows something about the bill. About how many miles of highway are now under contemplation south of the United States border?

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. DONDERO. The entire road, 1,590 miles long, with the exception of 186 miles of blacktop.

Mr. HOFFMAN of Michigan. Where are the 186 miles located?

Mr. DONDERO. Part of it south of the Mexican border. The other portion is mostly between San Jose in Costa Rica and the Panama Canal.

Mr. HOFFMAN of Michigan. All of this highway that this bill provides money to construct is south of the border?

Mr. DONDERO. It is. I may say to my colleague that Mexico completed her entire road down to the Guatemalan border and did it at her own expense.

Mr. HOFFMAN of Michigan. Without any help from us?

Mr. DONDERO. That is true.

Mr. HOFFMAN of Michigan. Are you sure?

Mr. DONDERO. Yes, I am sure of that. Guatemala has also constructed a portion of the road at her own expense. It is a matching proposition with us, as the gentleman knows.

Mr. HOFFMAN of Michigan. About how many miles have not been completed?

Mr. DONDERO. About 186.

Mr. HOFFMAN of Michigan. Between the central portion of Michigan and the border, how many highways would we have to build so that you or I could go down to the border, then, and use this highway?

Mr. DONDERO. You could drive today to the northern part of Guatemala without leaving a good hard road.

Mr. HOFFMAN of Michigan. Over a good highway in the United States?

Mr. DONDERO. Over a good highway all the way.

Mr. HOFFMAN of Michigan. Are you sure about that?

Mr. DONDERO. I am quite certain about it.

Mr. HOFFMAN of Michigan. I have been over a part of the highway in Michigan, Ohio, Pennsylvania, Maryland, lately, and it was not too good.

Mr. DONDERO. That must have been some years ago.

Mr. HOFFMAN of Michigan. There is no other use for the money which will be carried in this bill?

Mr. DONDERO. It is an authorization bill.

Mr. HOFFMAN of Michigan. I ask is there no other use here in the United States for the money which would be carried in this bill?

Mr. DONDERO. That is right. Oh, there might be, yes.

Mr. HOFFMAN of Michigan. Which is it, yes or no?

Mr. DONDERO. I think this is a good investment for more reasons than one.

Mr. HOFFMAN of Michigan. Maybe it will help the automobile industry in Detroit, but while we are on that subject—now that the stockholders of the automaking vehicles are getting a pretty good return on their investment and the officers seem to be well paid for what they do, for the services they render, and the workers are going to get the guaranteed annual wage—have you any suggestion as to what companies can do with

reference to reducing the price of their product and afford an opportunity to the poor fellow who wants to purchase one?

Mr. DONDERO. I never thought I was an expert on economics, I may say to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. But you must have a desire for an automobile.

Mr. DONDERO. We just hope there may be.

Mr. HOFFMAN of Michigan. Yes, I understand the theory of building this highway—that one of the objectives of building this highway is so that it will help industry.

Mr. DONDERO. That is only one of the minor reasons for building this highway. There is more than meets the eye in this proposition, and that deals with the national security and the defense of our country.

Mr. HOFFMAN of Michigan. Defense of this country?

Mr. DONDERO. The people in Central America——

Mr. HOFFMAN of Michigan. Want to come up here and help us if we get in war. Is that it?

Well, I will yield back the balance of my time. I think we should take care of our own needs before we spend this money on this project.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5923) to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5923, with Mr. ABERNETHY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Maryland [Mr. FALLON] will be recognized for 30 minutes and the gentleman from Michigan [Mr. DONDERO] for 30 minutes.

The gentleman from Maryland is recognized.

Mr. FALLON. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, today we will consider H. R. 5923, which authorizes the appropriation of certain sums to accelerate the completion of the Inter-American Highway. As the Members of this House are aware, this project is one about which the President of the United States recently wrote the Speaker of the House. The President termed the completion of the Inter-American Highway "a clearly established objective of United States policy" and pointed out that "the incompleted state of this project prevents realization of maximum benefits."

The Secretary of State has expressed full support toward the accelerated highway program. He stated it was his opinion that "the most effective, and immediate contribution which this Government can make toward the establishment of strong, self-reliant, and durable economies in the Central American Republics is to cooperate in the early completion of the Inter-American Highway."

Completion of the highway has long been a clearly established objective of United States policy and the Congress to date has supported the program with appropriations amounting to almost $54 million. For many years, the United States together with its Central American neighbors has been cooperating in the construction of the Inter-American Highway. However, the road is still unfinished and unless its completion is accelerated, it will be many years before traffic can make its way over a passable route from the United States to the Canal Zone. If we are to obtain maximum returns from our contribution and are to share with those countries the beneficial results of economic and political stability, the completion of the Inter-American Highway should be accelerated.

Among the benefits which will result from an accelerated completion of the Inter-American Highway are the following:

First. Political stability: The political stability resulting from early completion of the highway would increase the growing influence which these Central American countries and the other republics of this hemisphere are now exerting in world affairs. This stability would strengthen them against internal violence and outside aggression. The political strength of our neighbors to the south is essential to the free world today.

Second. Economic development: It is for our own benefit, as well as for theirs, that we encourage these countries to attain the greatest degree of economic development. Surface transportation is one of the main factors retarding economic development in the area. With completion of the Inter-American Highway will come feeder roads and the opening of undeveloped lands. I am confident that opening the entire length of the Inter-American Highway to all-weather traffic will stimulate economic growth in the area and enlarge opportunities for free trade and new markets. Internal development would result and essential trade relations between the neighboring countries would be stimulated.

Third. Increased trade: As markets for our exports and as suppliers of our imports, the United States has great ties with the countries through which the Inter-American Highway passes. Since the highway was started, trade between the United States and this area has increased many times. In 1936, the year in which we first began direct assistance in the construction of the highway, our exports to these countries had a total of a little over $116 million. In 1954 our exports to the same countries increased to approximately $950 million. In 1936 we imported about $78 million worth of goods from these countries, while last year this had increased to almost $560 million. It is evident that a partially completed route has been beneficial to United States industry and export trade. A fully completed Inter-American Highway would give even greater impetus to our trade relations.

Fourth. Increased tourism: Tourists from the United States are now spending nearly a billion dollars a year in the Caribbean area. A large and continuous flow of United States tourists over the Inter-American Highway would be an important element in the commerce of these countries which have so many places of interest and natural beauty.

The highway will be a means of travel of an increased number of Central Americans to the United States. The importance of strong cultural and spiritual ties which would result cannot be exaggerated. The expenditures by these visitors will be advantageous to American commerce and industry.

Fifth. Strategic benefits: The existence of such an all-weather highway would be of substantial security importance, both in providing overland contact and communication as far southward as the Panama Canal, and in bringing an important physical link between these countries in our common defense of the Western Hemisphere against aggression from without and subversion from within.

The countries themselves are ready and willing to contribute their share toward the added cost of an accelerated program, which for the United States is estimated to be in the amount of $11 million.

Although previous estimates had included an item for placing an asphalt surface, this portion of the work was suspended when it became apparent that the presently authorized funds would not complete the project to include a paved surface. This action was taken so as to assure completion of an all-weather road within available authorizations. The revised estimate now includes sufficient funds for placement of an asphalt surface. Completion of this standard is recommended by the highway engineers as necessary in order that the load carrying properties of the roadway base may be preserved. Without this asphalt surface, or cover, traffic, wind action, and heavy rains tend to rapidly deteriorate and wear away the exposed stone surface, requiring heavy maintenance expense, and actual replacement within a relatively short period. In addition, an asphalt surface is considered desirable to properly and safely provide for traffic needs. Stone or gravel surfaced roads, which present a loose and dusty travel surface, are well known for their high accident rates and lack of favor with tourists. It would seem that no serious exception should be taken to the inclusion of an asphalt surface on a highway as important as this one.

An accelerated program for completion of the Inter-American Highway requires a substantial change in plan of operation and certain additional costs must be considered. Although local contractors, skilled labor, materials, and supplies would be used to the extent available, they are not in sufficient supply to accomplish the work remaining to be

done in the period now considered desirable. This means that United States contractors to a substantial degree will be called upon to accomplish the program and that an enlarged fleet of road-building equipment, with the necessary skilled operators and supervisory personnel, will be required to be shipped from the States. It is apparent that it takes more equipment and skilled labor to do a specific job in a given period of time than it does to do the same job in a longer period of time. American labor rates, plus transportation and housing of American skilled labor is an element incident to an accelerated program. Labor and equipment costs together make up about 70 percent of construction costs on highway projects such as this one. In this instance these two major elements of highway construction cost are those most affected in this proposed program for completion of the Inter-American Highway.

I do not wish to single out any one purpose for which the road should be built or any one country which will receive special benefits from completion of the Inter-American Highway because this is a cooperative program which will bring many positive results to the whole Central American area. However, a completed Inter-American Highway will result in a more forceful hemisphere stand against communism and will give individual countries strength to also resist this menace.

You are aware that international communism, which recently dominated the Government of Guatemala for 10 years, was endangering the peace of the Americas by attempting to extend Communistic colonialization to this hemisphere. The Government of Guatemala was on the verge of becoming an evil Communist puppet. Economic progress was stifled, the treasury depleted and Guatemala's relations with the countries of the free world were at a low ebb. These were 10 years of neglected promises for the Guatemalan people who, only last year, were able to overthrow the Communist regime and make Guatemala a living monument to the defeat of communism.

What happened in Guatemala could be repeated in the other American republics for we know that the Communists wait for any sign of weakness in Guatemala or elsewhere in the hemisphere through which they might regain or extend their political control.

The United States has pledged itself not only to political opposition to communism, but also it has pledged itself to help improve conditions in areas which might afford communism an opportunity to spread throughout the hemisphere. Therefore, we must, for our own benefit, as well as for theirs, cooperate with the Central American countries to see that they become economically, politically, and socially stable and add their strength to the free nations of the world.

I believe, and I might say that President Eisenhower and the Department of State concur with me in this belief, that the most significant single action which the United States could take to bring about this desired stability would be to accelerate completion of the Inter-American Highway.

DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
April 1955.

A BRIEF HISTORY AND PRESENT CONDITION OF THE INTER-AMERICAN HIGHWAY

The first direct efforts of the United States Government to encourage the Latin American countries in road construction were made in 1923 at the fifth conference of American States held under the Pan American Union in Santiago, Chile. A resolution was adopted at that conference urging on all the Latin American countries that they plan a system of motor roads, international in character and connecting so far as possible all of the capital cities.

In 1924 largely under the sponsorship of industry, a group of engineers and administrators, from the highway or public-works organizations of the several countries, were invited to the United States, and through the Bureau of Public Roads an opportunity was given to the entire group to study our national and State highway organizations and observe progress made in construction of highways under our Federal-aid system.

Other conferences of an international character were held and finally in 1930, the Government of the United States gave its first direct support to the extension of highways in Latin America by providing funds for a reconnaissance survey of a road to connect North and South America. This survey was started in 1930, finished in 1933, and a complete report was published in June 1934, as Senate Document No. 224 of the 73d Congress, 2d session.

The route surveyed from Laredo, Tex., to Panama was called the Inter-American Highway. No route in the United States has been designated as an extension of this route since traffic through Laredo has origins and destinations scattered over the entire United States.

The Government of Mexico had already completed part of the highway in Mexico, and they have since elected to construct and finance the Mexican section entirely without aid from the United States.

In 1934 this country made available an international construction fund of $1 million to be expended on the Inter-American Highway. The money was used largely to build, in the countries south of Mexico, bridges or sections of the highway which would be immediately serviceable and which would demonstrate the possibilities of modern road and bridge construction. This work was completed in 1939.

On December 26, 1941, an appropriation of $20 million was authorized by Congress for cooperation with the countries south of Mexico, to and including Panama, on terms which required that each country cooperating with the United States pay at least one-third of the cost of the work. This action created a joint fund of $30 million.

Construction with this fund started in February 1942 and continued uninterruptedly until the funds were exhausted in 1951. An additional special appropriation of $12 million was made by Congress in 1943 for extraordinary heavy construction encountered in the mountains of Costa Rica south of San Jose. This appropriation did not have to be matched by Costa Rica because such matching would have been beyond the reasonable economic capacity of that country. This construction progressed along with construction under the $30 million program.

The Federal-aid Act of 1950 authorized $8 million for construction on the Inter-American Highway, the Federal-aid Act of 1952 authorized $16 million, and the Federal-aid Act of 1954 authorized $40 million for its completion at the rate of $8 million per year for 5 years. The sum of $14,750,000 has been appropriated under the above authorizations, and with this sum construction has been continued and every effort is being made to convert the funds to completed roads as rapidly as possible. The cooperating countries are required to pay one-third of the cost of construction, but exceptions may be made with certain portions of the funds.

At the beginning of the work on the Inter-American Highway in 1930, only about 22 percent of the route was suitable for motor traffic at all times, and most of that was below the standards of construction generally accepted at that time. Some sections of the highway had been in use and passable at all times to such traffic as existed since colonial times, but there was no continuity of development and about 78 percent of the route was either impassable or passable only in dry weather. At the present time about 94 percent of the highway is passable at all times by motor vehicle, and only 6 percent impassable. The following table shows the status of the Inter-American Highway in 1930 and in 1954:

	1930	*1954*
	Percent	*Percent*
Paved	7	63
All weather	15	31
Dry weather	9	—
Impassable	69	6

Total length approximately 3,200 miles (this includes 1,600 miles in Mexico upon which no United States funds have been expended).

At the present time there are three impassable gaps in the highway. One in Guatemala, extends about 25 miles from the Mexican border southerly. Construction has been resumed recently on this section. Another short section in Costa Rico for about 10 miles south from the Nicaraguan border is not passable but construction is under way and it is expected to be passable soon. The longest impassable section is in southern Costa Rico and northern Panama from San Isidro, Costa Rico, to Concepcion, Panama, a distance of about 150 miles. Surveys are presently under way on this section.

Tourist travel beyond the southern border of Mexico is not recommended.

INTER-AMERICAN HIGHWAY SUMMARY CURRENT ACTIVITY, APRIL 1955

Survey and construction work on the Inter-American Highway is currently active in 5 republics, with a total of 16 active projects. All of these projects are financed through project agreements between the Bureau of Public Roads, United States Department of Commerce, and the several cooperating republics, which agreements provide funds on the basis of two-thirds United States and one-third cooperating republics. The principal objective at this time is toward opening of the impassable portions of the route. These impassable gaps are located in northern Guatemala, northern and southern Costa Rica, and northern Panama.

There follows a summary, by countries, of projects active as of April 1955:

Guatemala:

Project 4–A: Grade, drain, base course, and permanent bridges on the impassable section between Colotenango and the Mexican border, 25 miles.

Project 5: Completion of survey, design and plans on the Inter-American Highway throughout Guatemala.

El Salvador: Project 2: Base course and bituminous paving between Sirama and Goascoran Bridge (Honduras border), 21 miles. (NOTE.—This project will complete the highway in El Salvador to acceptable standards.)

Nicaragua:

Project 3–A: Construction of 16 permanent bridges between El Espino (Honduras border) and Sebaco.

Project 4–A: Grade, drain, and base course construction between El Espino and Somoto, 13 miles.

Project 5–A: Construction of permanent bridges between Rivas and Penas Blancas (Costa Rica border).

Project 6–A: Grade, drain, and base course construction between Rivas and La Virgen, 6 miles.

Project 7–A: Grade, drain, and base course construction between Somoto and Dondega, 22 miles.

Costa Rica:

Project 1A–2: Grade, drain, base course, and permanent bridges between San Ramon and Nicaragua border, 148 miles.

Project 3–A: Completion of surveys and plans between San Isidro del General and Panama border, 134 miles.

Panama:

Projects 3 and 5: Grading, paving, and permanent bridges on 25-kilometer section from David, southward, 16 miles.

Project 6: Construction permanent bridges between Rio Hato and Anton.

Project 7: Grading and paving between Rio Hato and Rio Guabas, 7 miles.

Project 8: Grade, drain, base course, and permanent bridges between Anton and Penonome, 10 miles.

Project 9: Grade, drain, and base course from end of project 3 to 5, 5 kilometers southward, 3 miles.

Projects 4 and 10: Survey, design, and plans on the Inter-American Highway throughout Panama.

Inter-American Highway active projects (allotment of funds by countries) fiscal year 1950 to fiscal year 1954

Country	No. of project	Funds		
		Cooperating	United States	Total
Guatemala	2	$762,500	$1,525,000	$2,287,500
El Salvador	1	250,000	500,000	750,000
Honduras	1	100,000	200,000	300,000
Nicaragua	5	1,318,861	2,637,723	3,956,584
Costa Rica	2	2,050,000	5,480,000	7,530,000
Panama	6	1,357,000	2,714,000	4,071,000
Subtotal, construction		5,828,362	13,056,723	18,895,084

United States funds summary

Reserve for construction contingencies	$140,000
Reserve for engineering and administration	250,000
Unapportioned reserve	404,949
Allotted to engineering and administration	898,328
Subtotal	1,693,277
Above construction subtotal	13,056,723
Total United States appropriations	14,750,000

Mr. DONDERO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, after listening to my able colleague from Maryland [Mr. FALLON], who has presented the subject in detail and thoroughly, there is very little that remains to be said in behalf of this bill. It so happens that we both had the privilege, with three other Members of the House, of paying a visit recently to Central America to look at and observe the condition of the road that we are building from one end of Central America to the other, known as the Inter-American Highway. We visited with the people and its leaders. We observed at firsthand the kind of improvement which I think will prove one of the best investments the United States ever made.

It is true that Guatemala presents an example of the only country in the world where communism obtained a foothold for 9 long years and then was expelled by the people themselves. For a year only now has that country been back to its normal self, and, again under its laws, carrying on its program of progress and benefits to its people.

Much can be said in behalf of this highway, especially as it passes through Guatemala and the part that she has played in constructing this Inter-American Highway.

How long is this road? It is 1,590 miles in length, extending from the Mexican border to the Panama Canal.

How much of it has been completed or partly completed? All but about 186 miles.

There are some portions of it that need a hard top or a bituminous top, to be sure. Some bridges are to be built. The greater part that remains incomplete is between San Jose, Costa Rica, and the Panama Canal.

Can you vision countries 1,590 miles in extent without a road running from the Pacific to the Atlantic or from the Atlantic to the Pacific? There may be trails and footpaths. But there is no good road over which can be carried traffic or commerce. This will be the only road running north and south from the Mexican border—yes, from the United States—to the Panama Canal.

I say that we have a stake in this road more than meets the eye when we understand that the Panama Canal is at the other end of the road. National defense and security enter into this for two reasons. Not only in the matter of defense of the Panama Canal, but to keep at our backdoor people who are friendly to the United States, who believe in us and in our freedom and form of Government, and who will not in any way tolerate communism in the Western Hemisphere.

Those two reasons ought to be enough. I am sure they were in the mind of the Executive when he suggested that we complete this road in the next 3 years. We have been building this road over a period of 21 years and the time has come when we should complete it. That is why this accelerated authorization is before the House today.

I hope it will receive the unanimous approval of this body, in the interest of our country. It will facilitate trade, it will facilitate friendship, it will facilitate commerce. It will not only make it possible for the people of the United States to visit Central America but it will even make it possible for the people of the countries themselves, the six Republics that make up Central America, to visit and trade with each other. There are no roads connecting them. They cannot even go from one country to another without this great road. So in my judgment it will in many ways prove a great benefit and a lasting benefit to the people of Central America, the people of the United States, the people of the Western Hemisphere, and I think the entire world, on behalf of freedom and our way of life.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I compliment the gentleman on that statement. As a member of the Committee on Foreign Affairs, I think it is necessary for the defense of this country to have these roads open and have an access so that we can have defenses further distant from our great cities.

Mr. DONDERO. I appreciate the observation of my able friend from Pennsylvania. He is correct that it does lend itself to security and the improvement of the defenses of our own country.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Pennsylvania.

Mr. FENTON. I wonder if the gentleman can tell us the length of the portion in Guatemala.

Mr. DONDERO. I do not know the exact number of miles, but I can say to the gentleman that the portion that is not completed immediately adjoins the Mexican border.

Mr. FENTON. I am interested in the part north and south of Nicaragua.

Mr. DONDERO. The larger portion, as I explained, is between San Jose, Costa Rica, and the Panama Canal. There are 1 or 2 small portions. But we drove over a large portion of the road. Some of it is not black topped. That is contemplated in the authorization before us, to make it a hard-surface road.

Mr. FENTON. I think the gentleman and his committee are to be commended on their forward-looking attitude on this matter.

Mr. DONDERO. I thank the gentleman for his contribution.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the chairman of my subcommittee.

Mr. FALLON. I have the figures here about which the gentleman from Pennsylvania was inquiring. Twenty-five miles in Guatemala, 134 miles in Costa Rica, and 14 miles in Panama are now impassable. That is the part that will entail most of the cost to complete at this time.

Mr. DONDERO. That is correct. I thank the gentleman for providing those figures.

Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Chairman, first I want to pay my respects to the distinguished chairman of the subcommittee on roads, the gentleman from Maryland [Mr. FALLON], and his coworkers on the majority side, for the considerate treatment they have given the minority members. It has been a cooperative effort during the entire hearings on this legislation and no partnership has been involved. I am very happy to say that this bill is here by a unanimous vote of our committee, so I again pay my respects to the gentleman from Maryland.

I think the question before us today for consideration is just whether we want to do this work in a short period of time or drag it over a long period of time. As the capable gentleman from Maryland called to your attention, the President and the Secretary of State, Mr. Dulles, have stated that time is of the essence. We all realize it is going to cost a little more money to hurry a project than to extend it over a period of years. I think probably the figures will bear us out. However, I am one of those individuals who believe that we are not taking into consideration the economic value not only to our country but to our neighbors on the south when we say that it would cost more to do this in a short period than in a long period. I am also one of those individuals who firmly believes that this will mean a great deal to our American economy. Certainly, it will mean a lot to solidify American relations. The question was raised relative to the total mileage of the project. I might say it is approximately 3,200 miles. This includes about 1,600 miles in that great neighbor to the south of us, Mexico. I might add that Mexico has built their entire program without a single dollar from this Government. This program was started a long time ago in 1923. It has come to the point where now it is ready to be completed. I hope the membership of the House in order to show the friendly feeling we do have and the cooperative spirit that we do have for our neighbors to the south will pass this with a unanimous vote. The committee gave many days of consideration to this problem, and listened to a great deal of testimony which might be considered of high priority, which we cannot explain to the House at this particular time. Like my friend, the gentleman from Pennsylvania, said a few moments ago, this road is badly needed. I hope you will be careful when any amendments are brought before you for your consideration to make certain that we are not scuttling the program. This program is of vast importance. While I am not one who feels that the work of any committee is above question, I think if you will read the testimony you will find that the subcommittee on roads of the Committee on Public Works went carefully into every detail of the particular legislation. I hope the membership will realize that and pass this legislation by unanimous vote. May I give a brief history and analysis of this subject.

I would like to discuss H. R. 5923, Inter-American Highway legislation. President Eisenhower many months ago recommended this legislation to the Congress so that the Inter-American Highway might be completed within 3 years, in order that all of the nations of this hemisphere could obtain the maximum benefits from this cooperative venture.

For my service as a member and past chairman of this House's Subcommittee on Roads, I have had an opportunity to become well acquainted with the Inter-American Highway. From this knowledge has come an appreciation of facts which, unfortunately, are not well enough known to the American public. One of these facts, for example, is that the highway is truly a cooperative venture. Each of the countries through which the highway passes has paid and is paying a large share toward the completion of the highway. And in the case of Mexico, an all-weather paved highway running the length of that country has been completed using Mexican funds exclusively.

Another aspect of the highway which probably is not fully understood is just what the rapid completion of an all-weather highway from the United States' southern border to the Panama Canal will mean—economically, politically, and strategically—to the United States and to the nations through which the highway will pass.

Economically, this highway demonstrates exactly what we mean when we talk about enlightened self-interests. It is clearly to the advantage of the United States, as it is also clearly to the advantage of the nations of Central America that we assist and encourage these countries to attain the greatest degree of economic development. In almost all cases, the absence of reliable adequate, extensive land transportation has been the principal factor retarding their economic development. The completion of the Inter-American Highway will lead to the development of feeder roads and thus to the opening of undeveloped lands thereby stimulating economic growth in the area and enlarging opportunities for free trade and new markets, not only amongst the countries of Central America but also between those countries and the United States.

These countries have long been prime markets for United States exports and important supplies of our imports. Our economic stake in this area is sizable. Ever since the highway was first started annual exports from the United States to the area has increased and it is to be expected that the economic stimulation, country by country, which will result from the completion of the highway, will provide an opportunity for even greater trade between these countries and the United States.

Increased trade; increased economic development; increased tourism which will also serve as a stimulus to the economies of the countries of Central America; all these mean, inevitably, increased economic stability. Hand in hand with such economic stability will also come increased political stability. Any area anywhere in the world in which there is political instability is an area which is ripe for Communist infiltration and exploitation. We all know that the Communists attempt whenever and wherever they can to stimulate political unrest. They have found that the greatest opportunity for success arises when political chaos is present. If we can, through rapid completion of this highway, create a stable economic and political climate in Central America and make thus impossible or more difficult the entrance of international communism on our very doorstep, I say we should do so immediately and without hesitation.

I do not think I need to remind the Members of this House of what happened not so long ago in the Republic of Guatemala. There a small, determined group of Russian-trained Communists managed to infiltrate and seize control of the political institutions of that country. The United States and all the other nations of this hemisphere, with the exception, of course, of Guatemala, realized that this Communist domination constituted a threat to the peace and security of this hemisphere and were prepared to meet in Rio de Janeiro for the purpose of deciding ways and means to eradicate this subversive threat. At that moment, however, a group of exiled Guatemalans, under the leadership of Col. Castillo Armas, risked their lives to free their fellow countrymen from the Communist tyranny. They were successful and the Communists were forced from their position of control. But how did the Communists manage to get that control in the first place? The reasons are numerous but one of the things which the Communists utilized effectively was the isolation of the people of Guatemala; the physical isolation of the people of that Republic from the other Republics of Central America. Dependable land transportation will eliminate that type of isolation. It will permit the people of Central America to meet more easily with each other to discuss their problems and aspirations, and to recognize the enemy when it appears.

The strategic considerations involved in the completion of an all-weather road to the Panama Canal from the United States are obvious. What may not be so obvious, however, is that a great number of the strategic materials which the United States requires as a part of its defense of the free world are obtained from the area which will be served by the Inter-American Highway. Another strategic fact, which is not generally recalled, is that many of these countries are cooperating with the United States in hemisphere defense for which purpose strategic sites have been developed. The highway would link these points and would be an auxiliary route in the transport of strategic materials.

As I indicated earlier, larger sums have already been expended by the United States and the nations of Central America toward the completion of this highway. However, if we are to obtain the maximum returns from our previous contributions, and if we are to share with the countries of Central America in the beneficial results of economic and political stability, an all-weather Inter-American Highway stretching from the United States to the Panama Canal should be completed within the next 3 years. It is estimated that the cost to the United States over the next 3 years to complete this task will be $74,980,000, which is less than the cost of a light cruiser. It is my understanding that the nations of Central America through which the highway will pass are prepared now to put up their share of the cost so as to insure its completion within the next 3 years.

Prompt effective action on our part can bring to Central America the economic and social progress which is the aim and the birthright of its people and which we, as their partners, wish for them. A good partner does not stand idly by, however, and merely wish his partner success and well-being. He rolls up his sleeves and goes to work with him. I ask the Members of this House to go to work with our good partners in Central America by taking action now which will result in the appropriation of funds for the completion of the Inter-American Highway in 3 years.

Mr. FALLON. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, as a member of the Committee on Public Works, which has had this project before it for thorough and careful consideration several times, I think it is about time that we completed it. It was sometime back in the early thirties when the Inter-American Highway was authorized by the Congress. We have been spending a little money on it now and then, but not in any appreciable amount. When we are going to construct a highway or anything else we must realize delay in construction is costly. When we start it—finish it expeditiously and it will not cost nearly as much money as if we carry it along from year to year as we have this highway. We set up such a small amount of money, and we had no contractors on the highway except foreign contractors. That is perfectly all right, but with this new setup to complete this highway in 3 years, American contractors will go down there and the job will be completed early. I do not think we have any better markets than there are in Central America; I do not think we have any better brains than there are in Central America. I believe we should do something for the countries that are helping us. In that way we are helping our own country.

When the road was originally laid out, it was laid out as a military highway. In other words, the Department of Defense was extremely interested in the Inter-American Highway. When this road is completed, it will mean that we will have a black-top highway from Maine to Panama. I think that will mean very, very much to the United States of America. I sincerely hope, as our colleague, the gentleman from Ohio [Mr. MCGREGOR] said to you, that no amendments to this bill will be offered or adopted which will delay the construction and completion of this highly essential road. We are committed to it and the sooner we complete it, the better.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. BOW. In the testimony before the Subcommittee on Appropriations dealing with this subject several weeks ago, there was testimony to the effect that if we did this on a crash basis of completing the highway within 3 years, and this testimony came from representatives of the Public Roads, it would cost us, perhaps, 11 percent more than if it was completed over a period of 6 years. I might say to the gentleman that that disturbed some of the members of the committee. I wonder if the gentleman from New Mexico could discuss that subject and give us some light on this question of the increased costs for the 3-year plan as against the 6-year plan because, may I say to the gentleman, while I did not agree with them completely, the experts made that statement. Will the gentleman discuss that question?

Mr. DEMPSEY. I am amazed that any expert would tell you that if you planned a project that would take 6 years to complete you would save money if you finished it in 3 years.

Mr. BOW. Mr. Chairman, will the gentleman yield further?

Mr. DEMPSEY. I yield.

Mr. BOW. If the gentleman will read the hearings of the Department of Commerce appropriation bill, the gentleman will find that the Bureau of Public Roads did give us that information. I may say that was very disturbing to the Members, and I hoped that in the discussion today, in this debate, that question would be cleared up so that when the matter does come to the Committee on Appropriations we will have that information.

Mr. DEMPSEY. I thank the gentleman for bringing this to my attention.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. FALLON. One of the main reasons for the increased cost in getting this job done in 3 years is because American engineers and contractors and equipment will have to be sent down there. The contractors in Central America do not have the organization and equipment to do this job in 3 years, so it is going to be necessary to put these bids out to American contractors, and the cost of American contractors' construction is larger than those in Central American countries. That is the reason for the increased cost of this program.

Mr. DEMPSEY. I would like to add that the amount of money authorized to be expended was not sufficient to have contractors from the United States move down there. We could have done this job for about $56 million some years ago. Now, because of the delay, it will cost over $70 million. Nothing but delay has caused that loss of $14 million.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield.

Mr. DONDERO. I want to reiterate what the gentleman has said. I think in answer to the gentleman from Ohio [Mr. BOW], the report on page 4, line 2, gives a complete answer. In addition to the contractor it will require more American skilled labor to be taken down there to be added to the cost that the gentleman from Maryland [Mr. FALLON] pointed out. May I take this opportunity to say that I appreciate the cooperation on both sides that we have had in our committee in bringing this matter to the House in order that we may complete a great project, which will be of benefit to this country for centuries to come, and for the part the gentleman from New Mexico [Mr. DEMPSEY] has played in the matter.

Mr. DEMPSEY. I thank the gentleman from Michigan.

Mr. MCGREGOR. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Ohio.

Mr. MCGREGOR. I would like to concur in the statement of the gentleman from Michigan [Mr. DONDERO], with respect to the part the gentleman from New Mexico [Mr. DEMPSEY] has played in this matter.

Mr. DEMPSEY. I thank the gentleman very much. We are all familiar with it and we believe in it. I think the quicker we get this program completed the better off we will all be. Anybody who knows anything about construction—I do not know much about it, but I have had 55 years' experience in construction—knows that delay is costly and wasteful. I have never heard any man who knows anything about construction say that by deferring completion you would save money. That would be contrary to every basic principle of economical and efficient building.

But saving in construction costs is not the only incentive for the earliest possible completion of the Inter-American Highway. It will serve as a truly good-neighbor traffic artery in establishing better business, cultural, and mutual defense relationships with our friends to the south. If we are to be perfectly honest with ourselves we are forced to admit that in this period of critical world situations we have been inclined to place greater emphasis on our relationships in faraway parts of the world than we have close by. Perhaps the cold war has forced this situation upon us but I still believe the stronger the alliances we have in this Western Hemisphere the more secure we shall be.

A goodly part of the billions we have been pouring into foreign lands will not bring even a small part of the return in friendship and security that this comparatively small investment in the Inter-American Highway will bring. It is good business and good sense for us to complete this road as soon as possible under reasonable building conditions.

Mr. DONDERO. Mr. Chairman, I yield 9 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, I have great respect for the good judgment and ability of my friends, the gentleman from Michigan [Mr. DONDERO], the gentleman from Ohio [Mr. MCGREGOR], the gentleman from New Mexico [Mr. DEMPSEY], and the gentleman from Maryland [Mr. FALLON], who have just addressed you. Ninety-five percent of the time I yield to their judgment on matters of this kind. On this particular bill my opinions are different from those which have been expressed by these gentlemen.

First, let us discuss the provisions of this bill. If no bill is passed today, we still will have existing authorization for the construction of the Inter-American Highway of $17,250,000.

In addition to this we have $8 million of authorization now in effect for each of the next 4 years, or $32 million additional. In other words, there is existing authorization already approved by

the Congress for the Inter-American Highway of $59,250,000.

This bill in effect proposes to increase the existing authorization by $25,730,000 so that if it is approved there will be $75 millions authorized for the construction of the Inter-American Highway.

The reason given for asking authorization of the $75 million for the construction of this highway is that the State Department desires to complete this road in a period of 3 years' time. The State Department wants to do a crash hurry-up job.

We have been 21 years working on this road; in those 21 years we have spent something less than $54 million on that road. Now the State Department proposes to complete this project by expending $75 million in a 3-year period. If the expenditure of this $75 million in a 3-year period would reduce the cost of building this road there might be an excuse for providing this $75 million for a 3-year road job. But rushing this job to completion in 3 years will not lessen the cost of building this road. It will increase the cost of building it.

The other day the chairman of the Commerce Department Subcommittee on Appropriations, the gentleman from Georgia [Mr. PRESTON], made the statement that to construct this highway in a 3-year period, according to the engineers of the Public Roads Administration, would involve an additional cost of $12 million. The gentleman from Georgia [Mr. PRESTON] said this job can be done for $63 million if it is done over a 6-year period, but that it will cost us $75 million if we crowd it into a 3-year period.

It seems to me it would be good business, since we have been 21 years on building this highway, to take another 6 years to complete it and thereby save $12 million for the American taxpayers over what the road will cost us if we undertake to build it in 3 years.

When the United States finishes this highway that will not end all our road-building in Central America, we are still going to be called upon year after year to furnish them money to improve this road or to the construction of other roads. When this matter was before the Congress 2 years ago the then head of the Roads Division, Mr. MacDonald, was asked by the gentleman from Ohio [Mr. MCGREGOR], what type of road the Inter-American Highway is? He said it would correspond to a secondary road in the United States. In places it is 20 feet wide and in others 24 feet wide. The time will come, if we crash this job through, when we will be asked for more money to widen that road and strengthen it.

I am in favor of the construction of the Inter-American Highway. I would not be opposed to doing it in 6 years, but I do object to rushing it through in 3 years at the additional cost of $12 million which is the estimate of the Government's highway engineers. The engineers of the Bureau of Public Roads on whom we must depend for information say it will add to the cost of this highway $12 million.

This is not a project alone of the present administration. In 1950 the Truman-Acheson administration came before the House Public Works Committee and asked for $56 million authorization to complete this highway. The Public Works Committee rejected the request of the Truman-Acheson administration for that $56 million. The committee and the Congress approved only $8 million a year for 2 years in authorizations for this highway. Later the Appropriations Committee did not give them the $8 million our committee, this House, and the Congress had authorized. The Appropriations Committee approved only $1 million for the Inter-American Highway and $1 million for the Rama Road.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. DEMPSEY. The record shows that appropriations for this road started in 1930.

Mr. MACK of Washington. That is correct.

Mr. DEMPSEY. Under President Hoover.

Mr. MACK of Washington. That is correct.

Mr. DEMPSEY. I wonder when the gentleman from Washington talks about delay in the project and savings whether he realizes the additional cost that is added to irrigation and reclamation projects, particularly in the building of one dam which took 4 or 5 years longer and cost many millions of dollars more because of the delay, and how does that compare with the $75 million for the completion of this road?

Mr. MACK of Washington. I only know that the gentleman from Georgia [Mr. PRESTON], chairman of the Commerce Department Subcommittee on Appropriations, said here on the floor the other day that the estimate of the Bureau of Public Roads engineers was that if we built this road in 3 years, it would cost an additional $12 million more than if the Government takes 6 years to complete construction of this highway.

Mr. DEMPSEY. I cannot understand that. Up your way it would not cost that much to speed it up, would it?

Mr. MACK of Washington. The gentleman from Georgia is here. He can answer the question.

Mr. DEMPSEY. I understood the gentleman to say that the gentleman from Georgia was quoting somebody else.

Mr. MACK of Washington. He was quoting the engineers of the Public Roads department, who are the highway engineers of the Federal Government upon whom the Congress must rely for information.

Mr. DEMPSEY. I would not accept the statement of any engineer who would tell you that by deferring completion you save money. That is just ridiculous.

Mr. MACK of Washington. Perhaps the fact highway construction work down there can be done only during a 5-month period out of the year may have something to do with the increased cost.

Mr. DEMPSEY. I do not know what the period of construction is down there during a year but I think it is much more than 5 months. As a matter of fact I do not see what would stop them because the weather is warm down there.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Michigan.

Mr. DONDERO. I think perhaps this road has cost the United States more money than it should because of the fact we have been at it so long. Had we built this road 20 years ago or even 15 years ago no doubt the cost would have been cut in two. What I fear and the thing what the gentleman fears too is if we delay it longer it will cost still more money.

Mr. MACK of Washington. I think the gentleman is partly correct; but according to the Government engineers of the Public Roads Administration if we take 6 years to complete this highway we can save $12 million.

Mr. DONDERO. On the same theory they may be mistaken in prolonging it 6 years rather than 3 because the cost might increase again in that period of time and cost us still more money.

Mr. MACK of Washington. Under the terms of this bill the State Department can give $25 million for work on this highway to these countries without requiring them to pay any part of the cost. The State Department then can give $50 million more if these countries put up $25 million. To do $100 million of roads on this highway the State Department can provide the Central American countries $75 million if these countries put up $25 million.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Maryland.

Mr. FALLON. The original law was 66⅔ against 33⅓. That was the original law.

Mr. MACK of Washington. Yes.

Mr. FALLON. It is continued that way. The additional authorization remains the same.

Mr. MACK of Washington. But in this authorization bill there is a provision which allows the State Department to grant one-third of this money—75 million—for highway construction without any of these 6 nations putting up anything.

Mr. FALLON. Oh, no, there is not. It is two-thirds and one-third, and they are willing to put up the one-third to do it. They are putting up one-third of the accelerated money in here.

Mr. MACK of Washington. In the last sentence of the bill it is stated "not to exceed one-third" may practically be given to them.

Mr. FALLON. That was in the original McGregor bill of last year.

Mr. MACK of Washington. It has been in the previous two bills. I think it is an unwise provision.

Mr. FALLON. There is a reason for that. The bridges that are being constructed in South America, under their code of building a bridge, are not the type of bridges that our Defense Department wants in Central America; so we are asking them to build a heavier type bridge on which we make a contribution.

Mr. MACK of Washington. That is partly true, of course, but I do not think the one-third provision or grant

of free money in the bill should be there because it will encourage the executives and the members of their legislative bodies in Central America to say, we cannot afford to put up money. That will get them one-third of the money without their matching the money at all. It gives them $25 million as a gift without these republics having to match the money the United States provides.

Mr. FALLON. The last paragraph of the bill was in question in the committee.

Mr. MACK of Washington. I know it was in both previous bills.

Mr. FALLON. That was in question. The State Department and the Bureau of Public Roads said they can work without that language being in there but they would rather have it in there for defense purposes.

Mr. MACK of Washington. I have an amendment that I shall offer later in reference to that matter.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Florida.

Mr. CRAMER. Is it not true that the testimony before us was to the effect that all of the nations involved, with one possible exception, had entered into agreements with the State Department that they would contribute their one-third of the money involved; therefore the gentleman's supposition that the Federal Government would have to put up more than two-thirds, does not have any real effect on this matter?

Mr. MACK of Washington. It would still have an effect. The State Department still could grant one-third of the money free without matching funds being required. State Department officials said they had contacted six countries. Four countries said they would match our funds 1 to 2 and two countries said they might need a loan from the Export-Import Bank to do so. In my opinion it is better to loan them the money than give it to them as a gift.

Mr. DONDERO. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. BOW].

Mr. FALLON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio.

Mr. BOW. Mr. Chairman, I have taken this time because of the confusion on the question of the cost between the 6-year program and the 3-year program. I want to say at the outset that I am in favor of the earliest possible completion of the Inter-American Highway. I have been over it. I think it is a fine project and should be completed at the earliest possible date, provided we do it in an economical manner.

The distinguished gentleman from Georgia [Mr. PRESTON], as chairman of the Commerce Subcommittee of Appropriations, in the hearings this year—and I refer to pages 555 to 558—went into some detail on the question of the cost of the accelerated program, and I hope the great Committee on Public Works will be able to answer some of these questions, because if they are not answered, there is going to be some difficulty in having this House appropriate the sums requested. Mr. Turner, from the Bureau of Public Roads, appeared before the subcommittee, and I asked him the question that I was confused on, whether it was going to cost more or less on a cash basis, and I asked him to explain it. He said:

> We already have that. We have an estimate that to do it on a 6-year basis would at the present time take $63 million, and what we are asking for on the basis of the present estimate is $74,980,000.

So there is approximately $11 million increase for the accelerated program. Now, we went over that in great detail from that time on with him, and I refer the members of the committee to the hearings and the examination by the gentleman from Georgia [Mr. PRESTON]; but, all the way through, regardless of what questions were asked of Mr. Turner, he indicated that it would cost $11 million more to complete the highway on the accelerated program.

Now, I am hoping sincerely that somebody on this committee can point out how we can meet the question of this $11 million increase if we do it in 3 years against the 6-year program, for I feel that we have that barrier to meet that I am concered with.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Michigan.

Mr. DONDERO. I think the question that the gentleman from Ohio has raised, has been answered. Nevertheless there are four lines in the report which I think answer it so anyone can understand it. We point out that the cost is that much more because we have got to obtain American contractors with their heavy equipment to take American skilled labor down there to do the job. It is not available in those countries. That is the reason for it.

Mr. BOW. Then, does the gentleman agree with the engineer from the Bureau of Public Roads that if we do it at the accelerated program, it is going to cost us $11 million more than if we complete it in 6 years?

Mr. DONDERO. It will, but no one can say what prices will be 5 or 6 years from now, and we may save more than $11 million by doing it now.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Maryland.

Mr. FALLON. I think the gentleman from Michigan has called attention to the 4 or 5 lines in the report which explain the additional cost of $11 million. But, what the report does not say is that the sooner this highway is completed, the sooner we get benefits from our investment. It would more than pay to build this highway in 3 years, more than pay the United States in benefits derived by an open highway through these countries than this $11 million amounts to. Of course, the additional cost was explained, that in order to do it, you have to take American skilled labor, American contractors, American engineers down into Central America, because they do not have large enough organizations to do the job.

Mr. BOW. I want to say to the gentleman that I am in favor of this highway. I can see great advantages to this country in the completion of this highway at the earliest possible date. I have been over it. I know what it will mean to this country and to trade with our Nation.

More particularly I believe it is of great importance, if we should get into a conflict with a nation that has a great number of submarines because, if they were off both our coasts, it would give us an opportunity to send materials through Central America into Panama. It would be of help as a defensive force.

I want to say to the gentleman and to the committee that I favor this bill and I am going to vote for it. But I do hope we can find some answer that we will be able to make to those who are critical of spending $11 million more to complete this program in 3 years instead of in 6 years.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. CRAMER. From the testimony before the committee I believe it is not proper to say that this extra cost of $11 million is caused by its being a 3-year period instead of a 6-year period or whether the program is made a crash program or not. I understand that the construction between Costa Rica and Panama is of such a difficult nature that whether it is done in a 3-year period or a 6-year period it is going to require American engineering, it is going to require American equipment and the cost is going to be substantially more than originally estimated because of that.

Mr. BOW. I will say to the gentleman that the testimony before our committee was on the basis of the present figures and not on the basis of the old figures.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. McGREGOR. I would certainly take exception to the judgment of any engineer who would say that this was going to cost $11 million more if we completed it in 3 years instead of a period of 5 or 6 years. Anyone who has been in the contracting business—and I know the gentleman from New Mexico [Mr. DEMPSEY] has—knows that the sooner you get a metal surface on a road so that climatic conditions do not interfere with your subgrade, the better you are going to be, the sooner you will have your job finished and the more money you will save. If you were to extend the period for laying this subgrade over 6 years, with certain climatic conditions, and you did not have a metal surface on the road so that the water could run off, the result would be increased cost. So I think this proposed program will definitely save money instead of adding to the cost.

Mr. BOW. I know of the gentleman's background in construction of this kind, and of his ability, and I would certainly be willing to take his word. But I am hoping that the gentleman will be able to spell it out in such a way that we can convince others. I am convinced, I will say to the gentleman from Ohio, but my purpose in taking the floor today was to try to get information which we could use to convince others of the need for this accelerated program.

Mr. FALLON. Mr. Chairman, I have no further requests for time, and I yield the balance of my time to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. I thank the chairman. At this time I yield 3 minutes to the gentleman from California [Mr. BALDWIN], a member of the committee.

Mr. BALDWIN. Mr. Chairman, it seems to me that in this discussion we have perhaps overemphasized the question of relative cost. To say the least, the question of relative cost is only one of a whole series of factors that are involved in this discussion of the need of completing this highway within 3 years' time.

The committee report indicates clearly that the evidence presented to the committee pointed very strongly to an urgent need to complete this highway and as soon as possible.

There are very strong diplomatic reasons why this highway should be completed as soon as we can. There are six Central American countries that are involved. We know that we have had very serious problems involving several of them. Fortunately, they have worked out in such a way that we now have friendly governments in those countries.

The completion of the Inter-American Highway in a short period of time may be of tremendous benefit to this country in our future relations with those countries. In addition to that, we have very strong military reasons for the completion of this highway. It was pointed out by the gentleman from Ohio when he stood here a moment ago that it is most essential that we have a road that will go all the way through to the Panama Canal Zone that would be available for use whenever it became necessary to use it.

As far as trade advantages go, the possible merits of completing this highway certainly are enormous. It is really hard to conceive of the fact that many of these countries in Central America are being stifled economically because of the fact people cannot even travel from one country to an adjoining country. It would be hard for us to visualize having a border between here and Canada of such a nature that we could not even drive into the area above the Canadian border because of the difficulties in getting over the roads. So the future relationships of all these six countries in Central America with the United States and with each other may depend on the urgent completion of this highway.

It seems to me we should give careful consideration to those factors. I think the gentleman from Ohio stated it very well when he said that although there is a difference in cost between completing this highway quickly and over a period of time he felt that there are reasons involved here that impel him to support this bill, and he intended to do so. I think those reasons are compelling in this case. I hope the House of Represenatives will give serious consideration to those factors so that we can pass this bill and make this road a reality.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. CRAMER], a member of the committee.

Mr. CRAMER. Mr. Chairman, I want to go along with the suggestions of my colleague and the gentleman from California [Mr. BALDWIN] and perhaps enlarge upon his idea.

The question of inter-American relations has been one of primary concern before this committee as it has considered this proposed legislation. I think it is important to point out the tremendous inroads being made not only in Central but in South America by the nations of Europe, economically, diplomatically, and specifically.

I read an article just the other day which pointed out that in Argentina, for instance, Japan is sending back its colonies of workers to do work; some 600,000 persons already; and the Japanese merchant fleet is back on all prewar runs; also that France is shipping automobiles, trucks and agricultural machinery to South America; that Germany is offering cheap credit to Central and South America; and that France is building a new factory for producing machinery for oil and steel industries, outside of Rio de Janeiro. Russia has completed two-way trade agreements with Argentina and Uruguay and Red dominated Czechoslovakia with several more. So you see these European and Asiatic nations are sending direct economic aid and attempting to build friendly relationships with the Central and South American nations. Certainly Russia is trying to do the same thing. So we are actually in a competitive position with these other nations in trying to build not only our own economic but our friendly diplomatic relationships with these nations.

I believe we have a giant inherent but presently far too dormant source of unlimited friendship for the free world in Central and South America. We are willing to vote $3.5 billions for aid to Europe and aid to Asia but when we start talking about an additional few million dollars to finish this Inter-American Highway we have a lot of difficulties. I say in all sincerity that I believe this to be one of the best possible ways we here in Congress can take advantage of this great dormant but inherent source of unlimited friendship of Central and South America by completing this highway.

I was very much concerned with the remarks about the additional estimated $12 million resulting from accelerated construction because, as far as I am concerned, the benefits resulting from building this highway in a 3-year rather than a 6-year period unquestionably will be worth far more than $12 million to America, not only economically but with regard to our inter-American relationships. I think that is proven beyond a doubt by the figures quoted by the chairman of our committee, the gentleman from Maryland [Mr. FALLON], who stated the figures indicating the increase in imports and exports over the short period of 20 years. The increase in exports was from $119 million to $950 million over that short 20-year period, even with this highway being only partially built, and the increase in exports from America was up to $500 million over this period. This clearly shows the tremendous advantage of building this highway as soon as humanly possible.

Mr. DONDERO. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. ALGER], a member of the committee.

Mr. ALGER. Mr. Chairman, in a troubled world where we have contributed some $50 billion to other countries, we do not have a road to our own Panama Canal. I recommend the passage of this legislation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 7 of the Federal-Aid Highway Act of 1954 is amended to read as follows:

"SEC. 7. For the purpose of carrying out the provisions of section 1 of the Act entitled 'An Act to provide for cooperation with Central American Republics in the construction of the Inter-American Highway,' approved December 26, 1941 (55 Stat. 860), as amended by section 11 of the Federal-Aid Highway Act of 1950, approved September 7, 1950 (64 Stat. 785), there is hereby authorized to be appropriated, in addition to the sums heretofore authorized, the sum of $8 million for the fiscal year ending June 30, 1955, and an additional sum of $57,730,000 which shall be available immediately and remain available until expended, to enable the United States to cooperate with the governments of the American Republics situated in Central America—that is, with the governments of the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—in the survey and completion of construction of the Inter-American Highway within the borders of the aforesaid republics, respectively. Not to exceed one-third of the appropriation authorized by this section may be expended without requiring the country or countries in which such sums may be expended to match any part thereof, if the Secretary of State shall find that the cost of constructing such highway in such country or countries will be beyond their reasonable capacity to bear."

Mr. MACK of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACK of Washington: On page 2, strike all wording after the period on line 12.

Mr. MACK of Washington. Mr. Chairman, this amendment would prevent the State Department from supplying one-third of the money to complete construction of the Inter-American Highway without requiring the Central American Republics to match any part of that money. Department of State witnesses said that they probably would never use the provision which enables them to give one-third of the money free for construction of this highway. Under this section of the bill, as it now stands, however, the Department of State can provide $25 million for work on this highway without the Central American Republics contributing one single cent. I based this amendment upon the testimony which was given before the committee to the gentleman from Florida [Mr. ROGERS] and to myself by State Department witnesses. I made inquiry of Mr. Charles Nolan, Secretary of State in charge of transportation in Central America. He said that the State Department had asked the six Central American Republics if they

could match American road dollars—one of their dollars for each $2 the United States puts up. He said four countries replied that they were not only willing, but they were able to pay their full one-third of the cost of building the road. The other two Republics, Guatemala and Costa Rica, said that it might be necessary for them to borrow some of the money to match United States grants. The representative of the Department of State said he had consulted with the Export-Import Bank and was assured its officers would view favorably the making of such a loan. If this section remains in the law, it is going to be very natural for officials of Central American countries to say, "Well, we have no money." And in that case, it would be very easy for the Department of State to give them free this $25 million without these countries contributing anything. Here is the conversation and the questioning which occurred in committee between the gentleman from Florida [Mr. ROGERS] and the representative from the Department of State, Mr. Nolan:

Mr. ROGERS. Mr. Chairman, I just want to get straight on a couple of points here. Actually, you see no need of this provision then providing not to exceed one-third of the appropriation authorized may be expended without requiring the countries' contribution, since it seems these countries will be able to get loans to carry out their position, at least two of them will, and all the others are capable of making their proportionate share. Is that true?

Mr. NOLAN. That is correct. We see no likelihood at the moment for any of these countries seeking recourse to that particular part of the legislation which is presently in effect.

Mr. ROGERS. Would it not be a good idea to cut this out of the act, which would rather encourage them to make a loan rather than just expect an outright grant? Do you not think that would be a good policy?

Mr. NOLAN. Well, as I stated earlier, since we have more or less of a commitment from all of them that they will put up their one-third, speaking for myself I can see no reason why we have to maintain the language, if the committee so desires.

Mr. ROGERS. And if some situation did come up, then you could come back to Congress at that time?

Mr. NOLAN. Yes, sir.

Mr. ROGERS. Would that be feasible?

Mr. NOLAN. Yes, sir; and at the moment we see no possibility of that.

I take it from this testimony of the State Department that the Department is willing to strike from the bill the clause which gives them an option to pay one-third of the cost of this highway without the Central American Republics contributing 1 cent. The Central American Republics will naturally want to take advantage of this clause if it remains in the bill. We can save a good deal of money for American taxpayers by striking this provisoin out of the bill. From the testimony of the State Department witness himself there was no objection to the striking of that language.

Why should we give $25 million of American taxpayers' money free to help Central American countries build a highway in Central America while here in the United States we insist that every State must match dollar for dollar every dollar that the Federal Government puts up for highways?

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The problem comes up in conjunction with this road of not only making it a road for economic purposes but for having an addition to the defense of this country. I want to be fair about it, but the State Department and the Defense Department might want some kind of a military road for our heavy equipment that the local country might not be willing to supply. So should we not have this leeway for our defense when it is recommended as an administration proposal?

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. MACK of Washington was granted 3 additional minutes.)

Mr. MACK of Washington. Mr. Chairman, Mr. McDonald, in 1952, when he was Administrator of Roads, said that this 1,600 miles of road in Central America would roughly be equal to about a secondary road in the United States. The road is 20 feet wide in some places and in others 24 feet wide. It extends from Laredo, Tex., on the Mexican border, down to the Canal Zone, 3,200 miles away. While I know little about military logistics, it seems to me such a highway would not be of great value as a military road if you had to haul heavy equipment over this narrow, secondary road approximately 3,200 miles from the Mexican border to the Canal Zone. We had better depend for the defense of the Canal Zone on our Navy and our Air Corps rather than upon such a 3,200-mile long narrow highway and at that one not built for heavy traffic.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. MEADER. In at least two points on this highway that road goes over mountains 10 or 11 thousand feet high. How are you going to get military trucks to use a road like that?

Mr. MACK of Washington. In addition to that, our Defense Department would have to secure permission of seven foreign countries before we could move military equipment over such a highway.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. McGREGOR. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Washington [Mr. MACK].

Mr. Chairman, I dislike to disagree with my distinguished colleague and friend from Washington, but I call to your attention the exact facts relative to his amendment.

This House of Representatives, and the other body, last year passed legislation which was signed by the President which, if my memory serves me correctly, was passed with only a few dissenting votes. It is known as the Highway Act of the 83d Congress, Public Law 350.

The very section my distinguished friend endeavors to strike from this particular bill was carried in the legislation and it was accepted by this House and the other body and is now part of the law. I am wondering what is back of the attempt to scuttle Public Law 350 as it affects this particular subject.

I have heard no opposition to Public Law 350 and now it is rather amazing to me to find after we had discussed it in our committee, discussed it informally, there was no amendment offered to take it out.

My distinguished friend who offered the amendment opposed this very paragraph on the floor of Congress when the road bill which is now Public Law 350 was before us, and he was soundly defeated on his amendment; so why bring up the same question again?

I do differ most emphatically with the statement made that possibly this road does not have a military value; it does have a military value, Mr. Chairman. Are we going to say to our neighbors to the south that we are going to change our minds and not agree to the program we agreed to last year?

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. FULTON. And is it not a fact that we cannot ask the local countries for contributions because it is not for local use? Obviously if it is for our own defense we ought to put the extra money in there ourselves.

Mr. McGREGOR. Without question the gentleman is right, because there are some countries down there possibly temporarily financially unable to participate in this program. Certainly, Mr. Chairman, if we can send money to some of the other countries without question, we can spend the money we agreed to appropriate last year rather than to come in and defeat the program and say we said "Yes" last year. Now we say "No." That procedure certainly does not help our friendly relations.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I am most happy to yield to our distinguished Speaker.

Mr. RAYBURN. And does not the gentleman also think that to the south lies the greatest prospect of having friends—more so than anywhere in the world and where we need them most should the day come in God's providence but against His will when we may be crowded into the Western Hemisphere and they might be all the friends we have? By doing a little thing like this to make those people feel better toward us, I think, would be money well expended because, as the gentleman has so well said, a great many of those countries change governments every once in a while, and some do not have the money to match this. I think that had the United States of America furnished every dollar for the construction of this road from the Rio Grande to the Panama Canal, it would have been money well spent in the interest of the United States.

Mr. McGREGOR. I thank the distinguished Speaker for his very able remarks.

I sincerely trust the amendment offered by the gentleman from Washington will be defeated and that the bill will be passed unanimously.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope that, if this bill goes through and the money is appropriated and spent, the distinguished gentleman from Texas, the Speaker of the House [Mr. RAYBURN], will not come along later and criticize the Republicans for being a spending, wasteful, unthoughful group.

I do not know just exactly why we are sent here, but I have always thought it was to pass legislation in the interest of our people, to improve the welfare of our people, to give them opportunities along material lines as well as educational and spiritual lines, and to protect the security of the Republic.

Too long we have been ruled by fear—fear pumped into us to force out appropriations for every conceivable purpose.

Well, if I am to be hung, I would rather be hung now and avoid all that worry and apprehension and speculation as to where I am going if any part of me remains after I am hung.

I am getting in a terrible state of mind over this thought that we must continue to pour out the tax dollars which we collect from our people and give them to somebody who or some nation which might, it is said, destroy this Nation. Oh, I know the story. Maybe this highway is of some use as a defense measure—it may create good will—it may cause complaint because it is not larger. But does there not come a time, and will it not be soon when we will be forced to quit trying to buy friendship? Are we not big enough, are we not strong enough, have we not the courage, the endurance and ability to defend ourselves, instead of always doing something to weaken ourselves in order to get somebody else to help us? To save us? How long since we have heard that we continued to exist only because the British Navy stood between us and the Germans or Russians?

Build this highway? I want to say to my Republican friends it is about time we begin to do something for Michigan. We have been buying cotton, tobacco, and rice from the southern boys.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. We buy automobiles, and they make those in Michigan.

Mr. HOFFMAN of Michigan. As I said earlier today, they charge us a whale of a price for the automobiles while the workers get an increase in wages. The stockholders increases in dividends. Company officials an increase in salaries. But the poor customer, the fellow who buys and keeps the cars going and by his purchase enables the factory to operate, gets no consideration.

Mr. Chairman, Michigan was a Republican State for a long, long time. Quite recently the CIO, under Reuther and Gus Scholl, took over the Democratic Party, and persuaded everybody in Michigan that if they would vote for somebody with a Democratic label everyone would be rolling in prosperity. The Democrats are going to be sorry when the time comes, as come it will, and they find Reuther and his folks have taken over their party, kicked you out, put in union officials as your nominees. They may use your party name, all right, but there will not be any Democratic doctrines in the organization. Why have the Republicans of Michigan not had something from the Federal Government in the past? Because their representatives have not been on the ball? Because they have not been beggars? Now, why cannot the Democrats do something for Gus Scholl and Reuther up in Michigan so that they can get the county offices as well as the State offices?

Why can you not appropriate a little money to protect the coastline along Lakes Michigan, Erie, and Ontario and the bordering States? Houses are being washed into the lakes because the banks have been undermined by the high water which comes down from Canada, contributed in part by excessive rainfall. We cannot do anything about the rainfall, or, at least, I do not think we can. Why can we not do something about that situation to protect our own people instead of building these highways down through those countries to aid South America? Is it not about time that we really start doing something for Michigan? Money for the Northwest, money for the South, money all over the world, except for the home folks in Michigan. What do we pay in taxes? Are we not third among the States contributing to the Federal Treasury? How about that? Now, in fairness, if the issue cannot be considered on its merit, how about getting a little political support there for Reuther and his outfit? Even though, incidentally, Michigan people other than those in the CIO might receive just treatment?

Mr. SPRINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, last year the Congress, by appropriate legislation, pledged the word of this Government that the United States would make its contribution to the completion of the Inter-American Highway.

This project has been under construction since 1934, and the Congress has appropriated funds from time to time. However, the present uncompleted state of the project prevents the realization of the real benefits to this country.

This highway, when completed, would connect our own road system in Texas with the Panama Canal at the southernmost end of Central America. The completion of this all-weather highway is of substantial security importance to the United States. At the present time our sole means of communication with the Panama Canal is by air or by sea. This highway would provide overland contact as far southward as the Panama Canal and would bring an important physical link between the Central American countries in our common defense of the Western Hemisphere against aggression.

The President realized early this year the desirability of accelerating the completion of the Inter-American Highway. In an appropriate letter to the Speaker of the House on March 31, he called to the attention of the House that the completion of this highway is a clearly established objective of United States policy. The President states as follows in his letter to the Speaker:

> Among the considerations which make me feel that an accelerated construction program on the highway is essential are these:
>
> 1. A completed highway will provide a very important contribution to the economic development of the countries through which it passes.
>
> 2. There will be an opportunity for increased trade and improved political relations among these countries and the United States.
>
> 3. The resultant increase in tourist traffic would not only improve cultural relations, but also serve as a very important element in the development of their economies through earnings of foreign exchange.
>
> The stabilizing effect of these factors will tend to bar any possible return of Communism which was so recently and successfully defeated in this area.

From the evidence before the Committee on Public Works, a completed main highway would encourage construction of feeder roads over which products could be transported to market. This is expected to encourage development of new agricultural areas and lead to general development of natural resurces in very undeveloped areas. This improved access to and among these countries will open up new possibilities for the investment of United States capital and would promote greater trade between us and the Central American countries. Every qualified witness who appeared before the committee was convinced that for economic and political reasons now is the time to speed completion of the Inter-American Highway. In my estimation, there is no single action which the United States could take in Central America and Panama to bring about more mutually advantageous results.

This legislation is in line with the Eisenhower philosophy in foreign policy of promoting better relations among our neighbors in the Western Hemisphere. It is a program which I believe has borne and will continue to bear both the fruits of friendship and peace.

May I say further at this time that this is not a one-sided program in which we are making a major contribution in the interest of other countries. The United States has a definite economic, political, and security interest in the completion of this highway.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. MACK].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ABERNETHY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5923) to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway, pursuant to House Resolution 260, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 353, nays 13, not voting 68, as follows:

[Roll No. 80]

YEAS—353

Abbitt	Coudert	Hébert
Abernethy	Cramer	Henderson
Adair	Cretella	Hess
Addonizio	Crumpacker	Hiestand
Albert	Cunningham	Hill
Alexander	Curtis, Mass.	Hinshaw
Alger	Curtis, Mo.	Hoeven
Allen, Calif.	Dague	Hoffman, Ill.
Allen, Ill.	Davidson	Holifield
Andersen, H. Carl	Davis, Ga.	Holmes
	Davis, Tenn.	Holt
Andresen, August H.	Davis, Wis.	Holtzman
	Dawson, Utah	Horan
Andrews	Deane	Hosmer
Anfuso	Delaney	Huddleston
Arends	Dempsey	Hull
Ashley	Denton	Hyde
Ashmore	Derounian	Ikard
Aspinall	Devereux	Jackson
Auchincloss	Dies	Jarman
Avery	Dixon	Jenkins
Bailey	Dodd	Jennings
Baker	Dollinger	Jensen
Baldwin	Dolliver	Johansen
Bass, N. H.	Dondero	Johnson, Calif.
Bass, Tenn.	Donovan	Johnson, Wis.
Bates	Dorn, N. Y.	Jonas
Baumhart	Dorn, S. C.	Jones, Ala.
Beamer	Dowdy	Jones, Mo.
Becker	Doyle	Jones, N. C.
Belcher	Durham	Judd
Bell	Edmondson	Karsten
Bennett, Fla.	Elliott	Kean
Bennett, Mich.	Ellsworth	Kearney
Bentley	Engle	Kearns
Berry	Evins	Keating
Betts	Fallon	Kee
Blatnik	Feighan	Kelley, Pa.
Blitch	Fenton	Kelly, N. Y.
Bolling	Fernandez	Keogh
Bolton, Frances P.	Fino	Kilburn
	Fisher	Kilday
Bonner	Fjare	Kilgore
Bosch	Flynt	Kirwan
Bow	Fogarty	Klein
Boyle	Forand	Kluczynski
Bray	Ford	Knox
Brooks, La.	Forrester	Laird
Brooks, Tex.	Fountain	Landrum
Brown, Ga.	Frazier	Lane
Brown, Ohio	Frelinghuysen	Lanham
Brownson	Friedel	Lankford
Broyhill	Fulton	Latham
Buchanan	Gary	LeCompte
Budge	Gathings	Lesinski
Burleson	Gavin	Lipscomb
Burnside	Gentry	Long
Bush	George	Lovre
Byrd	Granahan	McConnell
Byrne, Pa.	Grant	McCormack
Byrnes, Wis.	Gray	McCulloch
Cannon	Green, Oreg.	McDonough
Carlyle	Griffiths	McGregor
Carnahan	Gross	McIntire
Carrigg	Gwinn	McMillan
Cederberg	Hagen	Macdonald
Chelf	Haley	Machrowicz
Chenoweth	Hand	Mack, Ill.
Christopher	Harden	Madden
Chudoff	Hardy	Magnuson
Church	Harris	Mahon
Clark	Harrison, Nebr.	Mailliard
Colmer	Harrison, Va.	Marshall
Coon	Harvey	Martin
Cooper	Hays, Ohio	Matthews
Corbett	Hayworth	Meader
Merrow	Rabaut	Taylor
Metcalf	Radwan	Teague, Calif.
Miller, Calif.	Rains	Thomas
Miller, Nebr.	Ray	Thompson, La.
Mills	Rees, Kans.	Thompson, N. J.
Minshall	Reuss	Thompson, Tex.
Mollohan	Rhodes, Ariz.	Thornberry
Morgan	Rhodes, Pa.	Tollefson
Morrison	Richards	Trimble
Moss	Riehlman	Tuck
Multer	Riley	Tumulty
Murray, Ill.	Rivers	Udall
Murray, Tenn.	Roberts	Utt
Natcher	Robeson, Va.	Vanik
Nelson	Robsion, Ky.	Van Pelt
Nicholson	Rodino	Van Zandt
Norblad	Rogers, Colo.	Velde
Norrell	Rogers, Fla.	Vinson
O'Brien, Ill.	Rogers, Mass.	Vorys
O'Brien, N. Y.	Rogers, Tex.	Vursell
O'Hara, Ill.	Rooney	Wainwright
O'Hara, Minn.	Roosevelt	Walter
O'Konski	Rutherford	Watts
O'Neill	Sadlak	Weaver
Osmers	Saylor	Westland
Ostertag	Schenck	Wharton
Passman	Scherer	Whitten
Patman	Scott	Wickersham
Patterson	Scudder	Widnall
Pelly	Seely-Brown	Wigglesworth
Perkins	Selden	Williams, Miss.
Pfost	Sheehan	Williams, N. J.
Philbin	Shuford	Willis
Phillips	Simpson, Ill.	Wilson, Ind.
Pilcher	Sisk	Winstead
Pillion	Smith, Miss.	Withrow
Poage	Smith, Va.	Wolcott
Poff	Spence	Wolverton
Polk	Springer	Wright
Preston	Staggers	Young
Price	Steed	Younger
Priest	Sullivan	Zablocki
Prouty	Talle	

NAYS—13

Burdick	Mack, Wash.	Taber
Clevenger	Mason	Wier
Cole	Scrivner	Williams, N. Y.
Hoffman, Mich.	Siler	
McVey	Smith, Wis.	

NOT VOTING—68

Ayres	Gamble	Mumma
Barden	Garmatz	Powell
Barrett	Gordon	Quigley
Boggs	Green, Pa.	Reece, Tenn.
Boland	Gregory	Reed, Ill.
Bolton, Oliver P.	Gubser	Reed, N. Y.
	Hale	St. George
Bowler	Halleck	Schwengel
Boykin	Hays, Ark.	Shelley
Buckley	Herlong	Sheppard
Canfield	Heselton	Short
Celler	Hillings	Sieminski
Chase	Hope	Sikes
Chatham	James	Simpson, Pa.
Chiperfield	King, Calif.	Smith, Kans.
Cooley	King, Pa.	Teague, Tex.
Dawson, Ill.	Knutson	Thompson, Mich.
Diggs	Krueger	
Dingell	McCarthy	Thomson, Wyo.
Donohue	McDowell	Wilson, Calif.
Eberharter	Miller, Md.	Yates
Fascell	Miller, N. Y.	Zelenko
Fine	Morano	
Flood	Moulder	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Celler with Mr. Heselton.

Mr. Eberharter with Mrs. St. George.

Mr. Gregory with Mr. Simpson of Pennsylvania.

Mr. Sikes with Mr. Short.

Mr. Chatham with Mr. Miller of Maryland.

Mr. Cooley with Mr. Canfield.

Mr. Boykin with Mr. Halleck.

Mr. Dingell with Mr. Chiperfield.

Mr. Moulder with Mr. Thomson of Wyoming.

Mr. McCarthy with Mr. Hale.

Mr. King of California with Mr. Reece of Tennessee.

Mr. Shelley with Mr. Miller of New York.

Mr. Sheppard with Mr. Chase.

Mr. Yates with Mr. Morano.

Mr Zelenko with Mr. Reed of Illinois.

Mr. Powell with Mr. Gubser.

Mr. Garmatz with Mr. Krueger.

Mr. Gordon with Mr. Wilson of California.

Mr. Fine with Mr. Reed of New York.

Mr. Barrett with Mr. Mumma.

Mr. Green of Pennsylvania with Mr. Hope.

Mr Hays of Arkansas with Mr. James.

Mr. Quigley with Mr. King of Pennsylvania.

Mr. Donohue with Mr. Ayres.

Mr. Buckley with Mr. Smith of Kansas.

Mr. Boland with Mr. Gamble.

Mr. McDowell with Mr. Schwengel.

Mrs. Knutson with Miss Thompson of Michigan.

Mr. Boggs with Mr. Hillings.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. FALLON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made during general debate on the bill just passed and to insert extraneous matter and a table.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERMISSION TO SIT DURING SESSION OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may sit during general debate during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING BUILDING OF MUSEUM OF HISTORY AND TECHNOLOGY

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6410) to authorize the construction of a building for a Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications, and all other work incidental thereto.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6410, with Mr. KLEIN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill authorizes the construction of a building for a Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications and all other work incidental thereto. It provides that the regents of the Smithsonian Institution may prepare drawings and specifications for, and to construct, a suitable building for a Museum of History and Technology for the use of the Smithsonian Institution, to be located on that part of reservation 3 which is bounded by 12th Street NW on the east,

14th Street NW on the west, Constitution Avenue on the north, and Madison Drive on the south, the title to which is already held by the Federal Government.

The site proposed for the location of this new building was first designated in 1901. It was set aside as a space to be occupied by a building housing the displays of the valuables belonging to the National Museum.

This bill comes to you by unanimous report from the Committee on Public Works. In the preparation of the bill we have consulted constantly with the Board of Regents and those members serving on the Board of Regents who are Members of the House of Representatives. The Members of the House on the Board of Regents are the gentleman from Ohio [Mr. VORYS], the gentleman from Missouri [Mr. CANNON], and the gentleman from Louisiana [Mr. BROOKS]. So we have had the benefit of the wealth of their experience as members of this Board.

If there have been any differences we have ironed them out and we bring to you this bill which is an expression of common accord of the members of the Committee on Public Works and the Board of Regents of the Smithsonian Institution.

The gentleman from New Jersey [Mr. AUCHINCLOSS] has done a great deal of work in connection with this bill and he, I am sure, will express the feeling of the minority as to the unanimity of opinion that exists so far as this bill is concerned.

Mr. AUCHINCLOSS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from New Jersey.

Mr. AUCHINCLOSS. It might be well to have in the RECORD the fact that this proposed building does not interfere in any way with the proposed reconstruction of southwest Washington, known popularly as the Webb-Knapp plan or with the Zeckendorf plan.

Mr. JONES of Alabama. This bill will not interfere with those developments. It will not interfere with any proposal for the redevelopment of any section of the city of Washington by Webb and Knapp or any other proposal for the redevelopment of the Greater Washington area.

Mr. AUCHINCLOSS. I thank the gentleman.

Mr. JONES of Alabama. Mr. Chairman, this bill has the approval of every agency of Government concerned, the Smithsonian Institution, the National Capital Planning Commission, the Commission of Fine Arts, and the General Services Administration.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The Secretary of the Smithsonian Institution is Dr. Leonard Carmichael who for years was president of Tufts College, of Massachusetts, located in Greater Boston. Dr. Carmichael is one of the outstanding educators of our country, and one of the most highly respected citizens of our country.

In a letter to me on June 6 he said, among other things, that the Smithsonian, in the number of objects cataloged, is the world's greatest museum, but its present physical plant is two generations behind the buildings of the national museums of even some of the second- or third-class powers of the world. I can assure my colleague that the opinion of Dr. Carmichael, whom I have known for years and whom I value as one of my friends, is worthy of our profound consideration.

Mr. JONES of Alabama. I thank the gentleman.

The buildings that the Smithsonian now occupies are 75 years old. They are totally inadequate to house the display of fine objects that they have accumulated at the museum. We ought to have a national museum that will reflect to our credit and it is essential that we have an adequate building for this purpose. The Smithsonian Institution has served the Nation well for over a century by the increase and diffusion of knowledge and as the principal repository of the Government for objects of historic and scientific value, many of which are irreplaceable national treasures. It is world famous as a scientific institution and also for its art galleries and museums. It is one of the major points of interest for visitors in Washington, of whom more than 5 million, including many thousands of schoolchildren on class pilgrimages from all over the country, annually enter its museum buildings.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Ohio.

Mr. McGREGOR. I would like to pay my respects, Mr. Chairman, to the distinguished gentleman from Alabama [Mr. JONES], who is chairman of the subcommittee that handled this subject. He has put in a great deal of time, not only of a physical nature but in research and so forth, and I heartily concur in his views. He has done a splendid job, and I hope this bill passes by a unanimous vote.

Mr. JONES of Alabama. I thank the gentleman from Ohio. He, too, has been most patient in working out some of the problems that have arisen and, as I stated earlier, many of the issues that we were at odds on we have been able to reconcile.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I, too, would like to commend the distinguished gentleman. This is just another example of the cognizance that more and more people are taking each and every day for the need of a greater understanding of our own culture here and abroad, and I certainly commend this legislation and the gentleman's advocacy of it.

Mr. JONES of Alabama. I thank the gentleman.

Mr. SCHENCK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Albama. I yield to the gentlemen from Ohio.

Mr. SCHENCK. I would like to associate myself with the splendid remarks of the gentleman from Alabama [Mr. JONES]. The Smithsonian Institute is really a great institution of these United States and is particularly of interest to the many school children who visit Washington from my district each year. I am interested in another phase of this problem, and I take this time to inquire of the distinguished gentleman from Alabama whether or not there is any plan or thought in his committee or in his own mind of charging admission to the Smithsonian Institute.

Mr. JONES of Alabama. I would be emphatically opposed to the charging of admission to the Capitol Building, to the Smithsonian Institute, the Museum of Natural History, or any other public building owned by the people of this country.

Mr. SCHENCK. Mr. Chairman, I am very happy to hear the gentleman say that, and I should like to associate myself with him in those remarks, because I feel the same way and very deeply.

Mr. JONES of Alabama. Mr. Chairman, I will say to the gentleman from Ohio that the committee did not deal with that subject, and I am expressing only my personal feeling about it. Since it was not a matter that came within the deliberations of the committee, naturally I must confine my remarks to my own personal feeling.

Mr. SCHENCK. I am sure the gentleman agrees with me that we do not want to make a Midway out of Washington's Pennsylvania Avenue and Constitution Avenue.

Mr. JONES of Alabama. No. I would say to the gentleman that we have insisted that this proposed building be no second-rate building, but one adequate to the job the Smithsonian is supposed to do.

Mr. SCHENCK. I thank the gentleman.

Mr. VURSELL. Mr. Chairman, will the gentleman yield further?

Mr. JONES of Alabama. I yield to the gentleman from Illinois.

Mr. VURSELL. I would like to say that over in Europe they maintain buildings like our Smithsonian Institution, even when they are a thousand years old. I went through this building on Sunday, and I have never seen a building in finer shape nor better adapted to the purpose for which it is now being used.

When we are talking about decentralization of Government activities, and the danger of an atomic attack, I am wondering whether it is the point of wisdom to spend $35 million of the taxpayers' money, when we have to go out and borrow it, to put up a new building at this time. In my judgment, this proposed building is not necessary. I have never seen a building in finer shape inside than the present building. It is in splendid shape. I went through it Sunday without any idea that this bill was coming up today. I think it is bad judgment to spend this much money, in effect to desecrate and perhaps tear down this old building.

Mr. JONES of Alabama. Mr. Chairman, I am pained to find that the gentleman from Illinois [Mr. VURSELL] is in disagreement with the committee and

with the Board of Regents on this bill. Of course, we did not attempt to reconcile the construction of a new Smithsonian Institution building with the national defense program. Had we gone afield in that way, we perhaps could not have brought out a bill. The compelling reason for approving a new building is that the present building is inadequate. The Smithsonian has thousands of objects that they cannot put on display because they do not have sufficient space to display properly those articles that they have.

Mr. DONDERO. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am very much in favor of this bill. If there is any one spot in the Nation's Capital which is attractive to the tourists, to our citizens who come here, it is the Smithsonian Institution. A week ago last Sunday I went down and spent part of the afternoon in that building and unlike my able friend the gentleman from Illinois [Mr. VURSELL] I did not find the building to be in such fine shape as he indicated.

Be that as it may, the present building is not to be torn down. This bill provides for a new building. The able chairman of the committee, the gentleman from Alabama [Mr. JONES] who just preceded me, has covered the ground so well that there is very little left to be said in behalf of this bill.

Mr. Chairman, we are going to consider on this floor, not long from now, a bill calling for $3½ billion which is to be sent across the water. This bill provides for $36 million to be spent here at home. What would the boys and girls and the people of this country do, if they did not have a place where they could see for themselves some of the priceless historic objects and exhibits of this Nation's birth and growth as seen at the Smithsonian Institution? Think of it, five million people a year cross the threshold of that Institution. Where can you find a more interesting place to visit here in the Nation's capital than the Smithsonian Institution, yet not all of the things we own are on exhibition. We, who have been on the committee, all know that a great deal of the material that ought to be displayed in the Smithsonian Institution is not even in the Nation's capital. It is stored in the city of Chicago. A large portion of this material is stored in a basement, packed in boxes, because the Institution has no room to display the articles.

Can you go down there and look upon the things that are presented—the clothes of Washington, the first plane to cross the ocean, the first steam engines, electrical equipment, and many, many others that had their birth here in the United States—without a thrill of pride that you are an American? All have contributed toward the making of the great Nation we are today.

All we are asking today is to erect a new building where those things can be preserved for succeeding generations, not alone for our pleasure.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Iowa.

Mr. GROSS. Do I correctly understand that the building is to be constructed on the site of the present building?

Mr. DONDERO. I do not understand that to be the case. I do not understand they intend to tear the present building down. I think it will be repaired and renovated.

Mr. GROSS. Where is the new building proposed to be erected?

Mr. DONDERO. I think the site is described in the committee report on the bill. You will find it on page 2. Perhaps the gentleman from Ohio [Mr. VORYS], who is one of the regents of the Smithsonian Institution, could answer the gentleman from Iowa better than I could.

Mr. VORYS. The bill provides on page 2 that it shall be located on that part of reservation 3 which is bounded by 12th Street NW. on the east, 14th Street NW. on the west, Constitution Avenue on the north, and Madison Drive on the south, title to which is in the United States. As I understand, it would go just east of the present Natural History Building, which is part of the Smithsonian.

Mr. DONDERO. It will be built on what is commonly known in Washington as the Mall.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. JONES of Alabama. The location is described as now being occupied by a temporary building, and it is desired to remove the temporary building whether or not the proposed building would be constructed there or not.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois, who makes a mistake once in a while, and that shows he is a great man.

Mr. VURSELL. I realize that when I interposed this objection it would be a voice crying in the wilderness, but I should like you to know that I think no one prizes the history and the industrial accomplishments of our country any more than I do. I observed last Sunday those things of which the gentleman speaks, the sword of Washington and all of the fine historic things that are being housed in this building. When I saw the fine condition of the building, which has been freshly painted and decorated, apparently, I thought to myself what a shame it would be to destroy this building that so many people love to come to because it is an old building and it fits in with the older things it is housing. I have great respect for all of those things. It would serve the purpose better than a new building.

Mr. DONDERO. I am sure the gentleman has been comforted by the fact he has learned since coming on the floor that the building is not to be torn down.

May I say one other thing to my friend from Illinois. I am sure he does exactly what I do when my constituents or the high school graduating classes come to see the city of Washington. He takes them down to the Smithsonian Institution just as I do, and he does it with a feeling of pride that it belongs to the United States and is a part of our great historical background.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. GROSS. I hope, and I believe I can have the assurance of the gentleman from Michigan that we could cut this foreign giveaway bill enough to save enough money and get enough money to build this building and also to build the Inter-American Highway. I am hopeful that the gentleman on the Committee on Foreign Affairs, one of the regents, will join us in that endeavor.

Mr. DONDERO. I am sure I can go along with the gentleman from Iowa in that statement.

Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Chairman, Members of this body and their families are invited to participate in a rare treat.

The musical play, The Vanishing Island, is being performed for their benefit tonight at 8 at the National Theater. You are invited to be the guests of Moral Rearmaments, a nonsectarian, worldwide, ideological movement that millions of people now believe will be the determining factor in the struggle for the minds of men.

I have seen this play and I assure you in addition to the message it carries, it is a most delightful, captivating, and altogether satisfying play. Having had the aid of the top professionals of Hollywood in its production, it is truly a professional production, plus the extra something that can only come from inspiration.

May I respectfully urge that every Member of this body, regardless of what other engagements you have for tonight, make it a point to see this musical play, The Vanishing Island, at the National Theater, and bring your families.

Thursday the troupe leaves for Japan, at the expressed invitation of Premier Hatoyama for production in Tokyo. From there it will have successive runs in the Philippines, Formosa, Thailand, Indonesia, Pakistan, Ceylon, India, Iraq, Iran, Egypt, Turkey, Greece, and will wind up its world tour at Caux, Switzerland, on September 1.

This is your last chance to see and enjoy this captivating play, at least until next year, if then. Do not miss it. I urge you.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS], a regent of the Smithsonian Institution.

Mr. VORYS. Mr. Chairman, as background for this request for a new building, I thought it might be well to remind my brethren of the unusual nature of this Smithsonian Institution. In 1826, an Englishman named James Smithson died. He had been an illegitimate child.

He had made most of his money in India and had never been in the United States, but he willed all his property to the United States of America to found at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men. The Congress in 1846 had to tackle the problem of what to do when somebody has left by will such a bequest to a nation. They decided it would not be proper for the Federal Government to accept it and execute the bequest directly, so they set up what is called in this quaint law, an "establishment." This establishment consists first of the President, the Chief Justice, and the head of the executive departments, and then a managing board, who, instead of being called trustees or directors, are called regents. There are 13 of them. The chairman is labeled "chancellor" in the law, and is the Chief Justice. Then there is the Vice President and 6 Members of the Congress—3 from this body and 3 from the other body, and then 6 citizens. The Smithson bequest of $550,000 has grown in value, although its income has been used year after year until, with other gifts, this endowment amounts to about $1,800,000. That is the unrestricted part of the endowment. There is another approximately equal amount that is restricted in its use. Then a man named Freer left a bequest for the Freer Gallery of Oriental Art which now amounts to $6,900,000, which is administered by the Smithsonian. If you will take a look at the Congressional Directory on pages 512 and 513, you can find information about this unique institution:

SMITHSONIAN INSTITUTION

Secretary: Leonard Carmichael.

THE ESTABLISHMENT

Dwight D. Eisenhower, President of the United States.

Richard M. Nixon, Vice President of the United States.

Earl Warren, Chief Justice of the United States.

John Foster Dulles, Secretary of State.

George M. Humphrey, Secretary of the Treasury.

Charles E. Wilson, Secretary of Defense.

Herbert Brownell, Jr., Attorney General.

Arthur Summerfield, Postmaster General.

Douglas McKay, Secretary of the Interior.

Ezra T. Benson, Secretary of Agriculture.

Sinclair Weeks, Secretary of Commerce.

James P. Mitchell, Secretary of Labor.

Oveta Culp Hobby, Secretary of Health, Education and Welfare.

BOARD OF REGENTS

Chancellor: Earl Warren, Chief Justice of the United States.

Members of the Board: Richard M. Nixon, Vice President of the United States; Clinton P. Anderson, Member of the Senate; Leverett Saltonstall, Member of the Senate; H. Alexander Smith, Member of the Senate; Clarence Cannon, Member of the House of Representatives; Overton Brooks, Member of the House of Representatives; John M. Vorys, Member of the House of Representatives; Vannevar Bush, citizen of Washington, D. C.; Arthur H. Compton, citizen of Missouri (St. Louis); Robert V. Fleming, citizen of Washington, D. C.; Jerome C. Hunsaker, citizen of Massachusetts (Cambridge); (one vacancy).

Executive committee: Robert V. Fleming, chairman; Vannevar Bush; Clarence Cannon.

BRANCHES UNDER DIRECTION OF SMITHSONIAN INSTITUTION

United States National Museum.
Bureau of American Ethnology.
Astrophysical Observatory.
National Collection of Fine Arts.
Freer Gallery of Art.
National Air Museum.
National Zoological Park.
Canal Zone Biological Area.
International Exchange Service.
National Gallery of Art.

The Smithsonian is somewhat like an iceberg—only part appears on the surface. As shown in the directory, it has 10 branches—7 of which are in different places. It has a branch in the Canal Zone. It has an Astrophysical Observatory with stations in California and Chile. It has the physical administration of the National Gallery of Art. The zoo in Washington is under the Smithsonian.

Its greatest present need is for adequate exhibition of our historical and technological exhibits. I have found from being a member of this Board of Regents that experts in museums say there are three things a museum should do: First, place a well-known exhibit so that it will draw in the public; second, place other educational exhibits so that the public will see and learn from them after they come in; and, third, provide study space for students and scholars to have access to the valuable material which is not on exhibit which comes piling in each year. In this year's annual report there are seven pages of Smithsonian acquisitions during the past year. One is a one-horse open sleigh purported to have been used by George Washington. Another is from the discoverer of penicillin, who donated a specimen of the mold and two of the original vessels used in the discovery of penicillin. There are over 800,000 different historical and technical items. They need to be better exhibited. There simply is not room to exhibit them properly.

I do not see how anyone can call the sheet-iron shanty where we have our present aircraft exhibit an adequate place. The able staff have done wonders with the 75-year-old Arts and Industries Building, but anyone who says it is adequate does not understand the fire hazard, and also does not know what he is missing, because he cannot see the priceless things stored away in attics and basements.

The project for the new museum of history and technology has been described by others today. I certainly hope that we go ahead with this development which means so much for the increase and diffusion of knowledge, for inspiring patriotism, in the 5 million tourists who come to Washington every year. I hope we will not say to the schoolchildren who come to their Capital—who are inspired by seeing the Washington Monument, the Lincoln Memorial, the White House, and the present Smithsonian exhibits—that they have to go away some place else to see the historic and technical exhibits; and I hope that we put this on the Mall as the Fine Arts Commission and the National Capital Planning Commission and the Regents of the Smithsonian and the members of this great Committee on Public Works have provided. I hope this bill will pass without amendment.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, as a member of the Committee on Public Works, and also a member of the Subcommittee on Public Lands and Buildings, I am very happy this afternoon to see H. R. 6410 on the floor for consideration.

H. R. 6410 was voted out of the Subcommittee on Public Lands and Buildings and the full Committee on Public Works unanimously.

I want to congratulate the gentleman from Alabama [Mr. JONES] for his untiring efforts and for his patience during the hearings on this bill, and in bringing the bill to the floor.

The Smithsonian Institution has served the Nation for over a century. It is world famous as a scientific institution, and also for its art galleries and museum. It is one of the major points of interest for the visitors to Washington, of whom more than 5 million, including school children from all over the country, enter annually.

Some of these buildings are inadequate, worn out and overcrowded, and cannot be economically reconstructed. That proposed building is indicated for use as a National Museum of History and Technology to house the exhibits now occupying the 75-year-old Arts and Industries Building.

This bill, H. R. 6410, adds to the number of the Board of Regents so that there will be 5 Members of the House and 5 Members of the Senate.

Mr. Chairman, this is a very worthwhile bill and I hope it will have the unanimous support of the membership.

I yield back the balance of my time.

Mr. DONDERO. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, we have a national debt—or I will say an acknowledged national debt—of around $275 billion. Then we have an additional debt, no one knows just how much it is, for it grows out of either the issuance or guaranty of bonds of Government-created corporations by the Federal Government. Of course, every appropriation we make not taken care of by current taxes adds to that debt, the payment of which we generously and thoughtlessly pass on to future generations. I am sure they will, when the time comes, be—shall I say—grateful for that action on our part?

But remember, even the bankrupt must have something to eat, must find a place to stay overnight, either in a flophouse, with some friend, or in some shelter of his own; so I can see why on a matter of this kind I should vote for the appropriation when the vote comes and pass on to those who vote for billions for foreign-aid giveaways, pass on to them the responsibility for this national debt created for our future generations to pay.

I can see why a vote for this bill, even if it should from a technical standpoint add to the national debt and the interest charges on it, can be justified. Why I should say to my friend from Ohio who favors billions for other nations: "Well, I did vote for this money," when he charges me with voting for an appropriation which will add to the debt, and further say: "Well, John"—whether this is a breach of the rules—I guess maybe it is—"Why don't you cut down on some of these giveaway appropriations?" Or to my good friend from Pennsylvania: "Why don't you stop voting to give so much away, when it does not do any good?"—or in my opinion does not do any good. Or to my good friend from Michigan, our colleague, who is always teaching us what the rules of the House are: "George, why should we vote to authorize this appropriation for this road down there in other countries?" The authorization of the House for millions for that was just adopted with but 13 votes against it. So I am not worrying about my part in adding to the national debt by authorizing the expenditure for this sum for museum building.

The Smithsonian Institution means many things to many people. To some it means amusement. To others entertainment. To others instruction; but every time I go down there I get one overpowering thought. What a wonderful system of government we have that has enabled our people to build up our Nation to what it now is. Every exhibit speaks to me of the foresight, the courage, the ability, the endurance, the industry, the patriotism of our people.

One other thought, the overpowering one I get when I visit that institution, and I view those ancient aged things from other generations long, long gone, and that is the conclusion that after all, I do not as an individual amount to very much in this world, never did, and never will. That many, many millons of better people have gone before and all I can do is to strive to follow along in their footsteps, profit by their example, endeavor to do the best I can for my country and its people.

That is the lesson I get, George. A lesson in humility; a desire and determination to make the most of my opportunities.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, support for the Smithsonian Institution does not require any talking on my part, since adequate support has been indicated by Members already. However, the reason I want to say a few words about this organization is that I was at one time one of the regents of this great Institution and thus came to know how instructive and constructive the program of the Institution is. That was the most interesting assignment I have had in my 13 years of service in Congress.

One thing that has not been mentioned here today and that perhaps some of the Members do not fully realize, is that the Smithsonian Institution carries on a great many scientific research problems. Perhaps the largest and most interesting one is that on the so-called Barro Colorado Island project which is located in the Panama Canal Zone.

At the time the United States engineers were building the canal they dammed up the Chagres River. That raised the ordinary water level of the Chagres so that they could put in the locks in order for the ships to go through the canal. The raise of the water level isolated a rather large area, in which we have a real tropical jungle. The water surrounded the peak known as Barro Colorado. Dr. Zetek is the man in charge of the scientific research program down there. He is there to direct and work out various scientific problems. For instance, the Institution has an extremely large project involving the study of ants and termites. It is the largest project, I believe, of its kind in the world. The scientists under Dr. Zetek's direction study all kinds of jungle problems. It was my interesting privilege and that of my wife to walk 6 or 8 miles through these jungles, where we saw various kinds of birds, monkeys, animals—both land and water animals—snakes, and so forth.

It is not only a matter of something interesting to look at, but also a matter that from the scientist's standpoint produces very valuable data that will benefit mankind. This doctor to which I have referred has been down there for 50 years. Just recently he wrote a letter to all the regents asking to be relieved of his duties because, as he said, he had served his time. It is interesting, as I said, to observe that the Institution is carrying on quite a program in the present poor buildings, including an art project. Last year and the year before we brought a Japanese artist over from Japan to correct and fix up some works of art that had been partially ruined by time and neglect. This man did a wonderful job, but he threatened to quit and leave the Institution unless he could bring back two of his children and his wife. I believe that a bill has been passed and he has his family with him.

This Institution is one of great popularity. Five million people annually visit it. This shows what a magnificent grasp it has for the imagination of not only the youth of America but of the older people of America. My first trip to this Institution was in 1929 for the purpose of looking at the type of airplane on exhibit down there that I flew in the First World War. Of course, they have every conceivable thing in there, the dresses of the wives of our Presidents and things, old mechanical devices, and so forth, which attract many millions of people, and which give knowledge and pride of past accomplishment to our people.

Dr. Carmichael, mentioned by the majority leader a while ago, is a very unusual and remarkable man. He is a noted educator, having been connected with Tufts College in Massachusetts for some time. He is a very outstanding individual and we are fortunate to have a man with his ability as an educator and his ability as an administrator to manage this institution. Without doubt the Smithsonian Institution has a wider appeal to the American people than possibly any other single institution in our country. It should be properly housed so that these relics of the past may be preserved.

Mr. Chairman, I hope and pray that this bill will be passed and that it will not be many years until the edifice to which they are entitled will be constructed at the site selected. I want to compliment the committee on the very fine work they did in connection with the study of this problem and also in picking out the site they did. I hope this will be accomplished in the next few years.

The CHAIRMAN. If there are no other requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Regents of the Smithsonian Institution are hereby authorized and directed to have prepared drawings and specifications for, and to construct, a suitable building for a Museum of History and Technology (with requisite equipment, approaches, architectural landscape treatment of the grounds, and connections with public utilities and the Federal heating system) for the use of the Smithsonian Institution, to be located on that part of reservation 3 which is bounded by 12th Street NW. on the east, 14th Street NW. on the west, Constitution Avenue on the north, and Madison Drive on the south, title to which is in the United States, at a cost not to exceed $36 million.

SEC. 2. That the exact location of the building on the site shall be approved by the National Capital Planning Commission, and the design shall be approved by the Commission of Fine Arts.

SEC. 3. That the preparation of said drawings and specifications, the design and erection of the building, and all work incidental thereto shall be under the supervision of the Administrator of the General Services Administration in accordance with provisions of the Public Buildings Act of May 25, 1926, as amended.

SEC. 4. That there is hereby established a Joint Congressional Committee on Construction of a Building for a Museum of History and Technology for the Smithsonian Institution. It shall be the duty of the Joint Committee to advise with the Board of Regents of the Smithsonian Institution during the planning and construction of such building. The Joint Committee shall be composed of 10 members as follows: Five Senators appointed by the President of the Senate, 3 of whom shall be the Senate members of the Board of Regents of the Smithsonian Institution; 5 Representatives appointed by the Speaker of the House of Representatives, 3 of whom shall be the Representative members of the Board of Regents of the Smithsonian Institution. The Joint Committee shall from time to time, but at least once annually, submit to the Congress a report on the progress of the planning and construction of the building. Upon completion of the building, the Joint Committee shall submit a final report.

SEC. 5. That there are hereby authorized to be appropriated to the Regents of the Smithsonian Institution such sums, not to exceed $36 million, as may be necessary to carry out the provisions of this act: *Provided*, That appropriations for this purpose, except such part as may be necessary for the incidental expenses of the Regents of the Smithsonian Institution in connection with this project, shall be transferred to the General Services Administration for the performance of the work.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KLEIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6410) to authorize the construction of a building for a Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications, and all other work incidental thereto, pursuant to House Resolution 695, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at this point in the RECORD on the bill H. R. 6410 and that all Members who have spoken on the bill may have permission to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HENDERSON. Mr. Speaker, we have before us today a bill to provide $36 million for the construction of a new Museum of History and Technology to be a part of the Smithsonian Institution. This museum will house the Nation's outstanding present and evergrowing collection of historical items which are of great interest to our people.

That the need for such a building is great has been known for some time and, I think, we must now take into consideration the relative importance of this need.

This Smithsonian Institution is a most valuable part of the Nation's Capital. I do not mean to imply that its value is limited to one city. Rather it is a kind of national museum belonging to all of our people. It has provided a showplace for the pageant of our national progress for over a century despite its inadequate facilities. It is a center of knowledge and repository for its collection of priceless treasures. The Smithsonian has also become world famous as a scientific institution reflecting great credit to our country. Certainly an organization which serves us so well deserves a building sufficient to its needs.

The present building was constructed 75 years ago on a budget which was extremely limited even for the time. Consequently, there is not nearly enough floor space to provide for display and much that is worthwhile goes unseen by the tens of thousands of visitors each year. This portion of the collection must, of necessity, be hidden away in some storeroom. Due to the building's age and condition, any sort of reconstruction would be impossible. With this in mind the Regents of the Smithsonian have been working for some time to perfect plans for a new building.

They have wisely chosen a site which is directly in line with the National Gallery of Art so that these two buildings would form part of a path leading from the Capitol to the Washington Monument, an ideal location from the point of view of the visitor to Washington. The building would provide sufficient space not only for the present collection, but also for the many contributions now unavailable to the Smithsonian because of the lack of display area.

We must remember the importance of the Institution to the Nation. It is high up on the list of almost every visitor to the Capital, with 5 million persons visiting the museum every year. How much more meaningful an experience it would be for them with a background planned to display properly the impressiveness of this collection. Our visitors, young and old alike, would go away with a greater sense of pride in what America has accomplished and a greater enthusiasm to add to these accomplishments. Not only would the museum have more meaning for our own citizens, but it would be a clearer demonstration of our national progress for those coming from all points of the globe.

With the facilities proposed in this bill, the Smithsonian would better fill its present role and would also be able to attempt education on a nationwide scale. With expanded facilities it would be possible to originate radio and television programs from the museum itself, allowing many more millions across the country to enjoy some of the benefits our National Museum has to offer. Many people who would never be able to make the trip to Washington would have the opportunity of witnessing our Nation's greatness and of feeling the same stir of patriotism experienced by those who are fortunate enough to make the trip.

I wish to state my conviction that this bill, H. R. 6410, deserves our serious consideration and the support of all Members of Congress.

PERSONAL ANNOUNCEMENT

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, had I been here during the consideration of H. R. 5923, I would have voted "aye." I was unavoidably detained on official business. I realize the importance of completing the construction of the Inter-American Highway as necessary for the political relations between the United States and the Central American countries and also of great importance to our trade relationships.

SPECIAL ORDER GRANTED

Mr. SAYLOR asked and was given permission to address the House today for 20 minutes, following any special orders heretofore entered.

FEDERAL BUDGET PROCEDURE

Mr. MINSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MINSHALL. Mr. Speaker, the Cleveland Chamber of Commerce has developed a plan to improve Federal budget procedure and help balance the budget which merits the careful attention of each Member of Congress.

Federal budget procedure and the goal of balancing the Federal budget are matters of vital concern to each and everyone of us in our endeavor to provide the best possible government for the least number of the taxpayer's dollars, and I feel certain the Cleveland plan offers many recommendations which the Congress will want to consider.

The Cleveland plan follows:

CLEVELAND CHAMBER OF COMMERCE PLAN TO IMPROVE FEDERAL BUDGET PROCEDURE AND HELP BALANCE THE BUDGET

(Report of committee on Federal budget, Cleveland Chamber of Commerce, June 1955)

The battle of the budget is still the Nation's all-important fiscal problem.

What can we do to help rid ourselves of the deficit problem?

First, the budget can be made more effective by (1) improving the kind of information presented, (2) treating the budget as a whole, (3) weighing expenditure decisions against each other, and (4) considering past performance of agencies and departments.

Second, we can provide cash to help balance the budget by the sale of Government business operations that compete with private enterprise.

IS THERE A NEED FOR BUDGET REFORM?

Despite the recent progress that has been made in budget procedures and the refinements in budget presentation and budget philosophy, there remains an urgent need for further improvement.

The great significance of the budget and the budget process in the United States makes it highly important that they be developed to keep abreast of the tasks which this Nation and its Government must face.

Among recent reports which recognize the need for better budget procedure are the comprehensive statements by the National Planning Association and the Committee for Economic Development.

HOW CAN WE IMPROVE THE BUDGET?

Now is the time to consider improvement in Federal budget procedure. Preparation of the budget begins in the executive departments a year or more before the beginning of the fiscal year concerned. Preparation of the fiscal 1957 budget is already underway.

1. We need to improve the kind of information in the budget. Certainly, it is not a question of the volume of information. The budget for fiscal 1956 is a single document of 1,224 pages.

Much of the detail presented in the budget is not relevant to major budget issues. Too little of this information is helpful in evaluating the usefulness of the various Government services in relation to their costs. The description of services is often too vague and too brief. Unit cost figures should be developed wherever possible.

A program budget places emphasis on services performed by Government and their costs. We should accelerate the movement

toward a program budget that the administration has sponsored.

2. The budget should be considered by Congress as a whole rather than as a series of unrelated parts. A serious deficiency in the present budget process is that no congressional committee gives specific consideration to the budget as a whole.

Congress now has no formal procedure that ensures the coordination of expenditure and revenue decisions. The revenue committees and the appropriations committees act largely independently of each other.

3. Expenditure decisions presently tend to be made 1 by 1 without weighing each 1 against the competing claims for funds. The burden of the total is not adequately considered.

4. More information on past performance is needed to allow Congress to make expenditure decisions in the light of changes in efficiency. There should be a systematic review of performance or evaluation of efficiency.

Information should be made available that permits comparison of the present operations of a Government agency with its past performance. Such information would permit comparison of the performance of agencies engaged in similar activities.

THE BUDGET MUST BE STABILIZED

The administration's budget for the fiscal year ended June 30, 1956, forecasts less spending and more revenue than a year ago.

Receipts of the Federal Government will only slightly exceed expenditures. This is an encouraging step. However, it tells only part of the story. The budget has been helped by a gradually advancing payment of taxes. By the end of the first half of fiscal 1956, there is expected to be a substantial cash deficit. The accelerated tax collections in the second half of fiscal 1955 were necessarily used to help offset the deficit of fiscal 1955.

THE TIME IS NOW

One way to help stabilize the budget and especially help the interim cash position is by the sale of Government business operations that compete with private enterprise. This would provide cash to help balance the budget, cut taxes and eliminate unfair competition. The present period offers the best profit opportunities for the sale of Government business assets in 25 years.

GOVERNMENT BUSINESS OPERATIONS MUST BE SOLD

National Associated Businessmen, Inc. is now engaged in a campaign to get Government out of competitive business. They have recently publicized a report by the Senate Small Business Committee, which urges a quick end to Federal invasion of private enterprise, and a report by the Hoover Commission, which proposes abolishing or reorganizing 104 Federal financial agencies.

SENATE COMMITTEE URGES END TO GOVERNMENT COMPETITION

"During recent years," says the report of the Senate Small Business Committee, "it has become apparent that the tentacles of Government competition were embracing many areas of business activity * * * in some cases entirely eliminating the private business firm."

The report adds: "It is alarming to consider that the military departments are operating in such commercial-type lines of endeavor as railroading, coffee roasting, logging and sawmill operations, trucking, warehousing, hotel and laundry operations, scrap processing, tire retreading, banking, dry cleaning, salvage, and the manufacture of ice cream, maps, flags, paint, clothing, and numerous others."

LENDING AGENCIES SHOULD BE REVAMPED

The Hoover Commission has recommended a general revamping of the Federal Government's 104 lending agencies. The Commission states that "lending or guaranteeing loans is a function which the Government should handle only when private enterprise cannot or will not perform the function."

To get Government out of business, the Commission recommends that certain agencies which have served their purpose be liquidated; the 12 production credit corporations, the Agricultural Marketing Act Revolving Fund, the Federal Farm Mortgage Corporation, and loans for college housing.

Other agencies, says the Commission, should be organized on a self-suporting basis: the banks for cooperatives, the Federal Housing Administration, the Federal intermediate credit banks, the Federal National Mortgage Association, and the Rural Electrification Administration.

PROGRESS IS BEING MADE

Worthwhile progress has already been made by the Congress and the administration in the drive to take the Government out of competitive business.

The Federal barge lines have been sold and synthetic rubber plants are now being sold. As a result of action by the Defense Department, some coffee roasting plants, bakeries, scrap metal processing yards, and box-making plants are being closed or curtailed.

The Budget Bureau has ordered all departments and agencies to list all of their business activities.

HEARINGS TO BE HELD ON GOVERNMENT COMPETITION

S. 1003, introduced by Senator McCLELLAN, of Arkansas, would establish a Federal policy concerning the termination, limitation, or establishment of Government business operations conducted in competition with private enterprise.

This important bill will likely be given hearings soon by the Senate Government Operations Committee. Each of us should write to his Senator concerning the need for passage of such a bill and how the sale of Government business properties will help balance the budget and add to tax revenues on a continuing basis.

EVERYONE WILL BENEFIT

The fulfillment of this twofold program of improving the effectiveness of the Federal budget and the sale of the Government's business assets will result in material benefits to all segments of our society.

A balanced budget, lower taxes, and competitive business will bring greater economic stability and greater opportunity for all our people.

COMMITTEE ON FEDERAL BUDGET

W. W. Hancock (chairman), vice president in charge of finance section, Republic Steel Corp.

R. D. Ashman, partner, Ernst & Ernst.

Ralph M. Besse, executive vice president, Cleveland Electric Illuminating Co.

R. E. Channock, comptroller, National Acme Co.

James H. Coolidge, vice president, Thompson Products, Inc.

Paul J. Eakin, partner, Hornblower & Weeks.

David C. Elliott, vice president, Cleveland Trust Co.

S. H. Elliott, director-vice president, sales, Standard Oil Co.

W. V. Farr, treasurer, American Steel & Wire Division, United States Steel Corp.

Vollmer W. Fries, vice president, White Motor Co.

H. Stuart Harrison, vice president, Cleveland-Cliffs Iron Co.

Paul W. Johnston, president, Erie Railroad Co.

C. B. McDonald, McDonald & Co.

R. H. Metzner, vice president, Central National Bank.

Logan Monroe, comptroller, Eaton Manufacturing Co.

John P. Murphy, president, The Higbee Co.

L. T. Pendleton, vice president, Ohio Bell Telephone Co.

William G. Rogers, president, East Ohio Gas Co.

L. H. Schroeder, vice president-treasurer, Sherwin-Williams Co.

John Sherwin, partner, Pickands, Mather & Co.

Hylas E. Smiley, treasurer, The Stouffer Corp.

John K. Thompson, president, Union Bank of Commerce.

THE CZECHOSLOVAKIAN UPRISINGS AGAINST SOVIET TYRANNY

Mr. BYRNE of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Speaker, it is a privilege for me to address this body today in commemoration of the second anniversary of the uprisings of the Czechoslovakian workers against their Soviet masters, and I am sure that my colleagues join me in saluting these fearless resistors of tyranny.

It is fitting that the House of Representatives of the United States of America pay tribute to another group of men and women who are representative of the dauntless spirit of liberty and democracy. Their brave actions in the face of merciless reprisals are an example to us of the extent to which freedom-loving peoples will go to assert their convictions of the dignity of the individual and the value of democratic ideals.

Two years ago this month, in June 1953, the Communist regime in Czechoslovakia announced a currency devaluation program which would take effect immediately. Although prices of basic commodities were cut substantially, wages were decreased so drastically that an era of starvation was feared to be imminent. The reaction to this situation was immediate. Dissatisfaction with the newly initiated program extended even to party and union officials. However, it was the workers themselves who organized and carried through the daring revolt, news of which spread quickly to all parts of the globe.

Throughout Czechoslovakia—in the heavily industrialized towns of Pilzen, Brno, Bohumin, and Koprivnice, and in the mines in Ostrave—demonstrations in protest of the most recent Communist indignity took place. Groups marched on the town hall, tearing down placards and posters depicting Soviet "heroes" and erecting in their places pictures and banners of the true Czechoslovakian martyrs, Benes and Masaryk. They commandeered the local communications systems and sent out messages of inspiration to the villagers. They took control of the local government and even of some of the factories. Police authorities refrained from interfering with them and the riots continued until dispelled by contingents of armed guards from as far away as Prague. When the haze of battle had lifted, it was found that over

100 had died in the fracas. In addition, thousands were arrested and imprisoned in retaliation by the Red warlords.

Throughout the month of June, similar uprisings took place in Eastern Germany and in Hungary, Poland, and even Russia itself. It was heartening news to the free world, the first positive sign in several years that hope still fills the hearts of the people behind the Iron Curtain. We know that the heritage and traditions of their glorious past are not forgotten. Truly, they are our assurances that the nations of Eastern Europe are only in temporary subjugation. We are promised that these peoples are our allies, in spirit if not in fact. Thus, it is our duty and our obligation to convey to them, by every means at our disposal, that their continued resistance to the atheistic, materialistic tyranny of the U. S. S. R. is vitally necessary to the present world struggle between democracy and totalitarianism. We await the day when they will proudly rejoin the family of free nations and we pray God that that day is not far off.

THE ADMINISTRATION'S GIVEAWAY OF MIGRATORY WATERFOWL

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 45 minutes.

Mr. REUSS. Mr. Speaker, the President's valet has just found a hen mallard on the White House fountain, and has proudly presented it to the Eisenhower family. President and Mrs. Eisenhower are kindly people, and directed that the migratory waterfowl be returned to her pool.

Unfortunately, while this particular duck is receiving such sympathetic treatment, an event with even greater significance for the other 50 million wild ducks in America is taking place in the Department of the Interior. This week Albert M. Day, a veteran of 37 years in the Department of the Interior and for 7 years Director of its Fish and Wildlife Service, is being eased out by Secretary of the Interior McKay because he had the courage to stand up to the pressure groups which are trying to restore the evil practice of baiting waterfowl.

PUBLIC SERVANT SACRIFICED

This splendid career public servant is being sacrificed because he refused to do the bidding of the wealthy game hogs who now call the tune in the Department of the Interior.

Let us look at the story of ducks and geese in this country, and at the reasons for the ban on baiting.

Prior to the early 1930's, waterfowl were abundant in North America. Long open seasons and generous bag limits were the order of the day. Hunting aids of various sorts, including baiting, were legally employed to assure heavy kills.

THE BAN ON BAITING

But times have changed. All of us will recall the great drought which swept the country in the early 1930's. Ducks and geese that had previously found abundant water in the prairie States declined alarmingly. In 1935 the Fish and Wildlife Service of the Department of the Interior was obliged to protect the rapidly disappearing waterfowl resources by banning baiting. The Department's regulation is clear and unequivocal:

> Migratory game birds may not be taken by the aid of salt, or shelled, or shucked, or unshucked corn, wheat, or other grains, or other feed or means of feeding similarly used to lure, attract, or entice such birds to, on, or over the area where hunters are attempting to take them. (Regulations Relating to Migratory Birds and Certain Game Mammals, sec. 6.3 (b), 1954.)

Indeed, many true sportsmen felt that the Fish and Wildlife Service's ban on baiting was insufficient, and that a complete prohibition of all hunting was needed to protect waterfowl. But at least there was agreement that baiting had to go.

The year 1935 marked the start of other State and Federal action to keep our waterfowl. Land was acquired to develop a system of refuges for the resting and nesting of waterfowl.

PRESSURE ON WATERFOWL POPULATION

Despite the ban on baiting and other unfair practices, and despite the program of setting up refuges, the pressure on our waterfowl population is greater today than ever before. Ducks and geese today are hunted over the length and breadth of the North American Continent for over 7 months of each year. Beginning on September 1 in Alaska and northern Canada, they are hunted until March 10 in the Republic of Mexico, where they take up their wintering grounds.

The number of duck hunters has increased greatly in the past 20 years. Whereas in 1935 there were only 635,000 duck hunters today there are 2¼ million, an increase of over 300 percent.

DUCK HUNTERS INCREASE

Although the number of waterfowl has increased since the low of the 1930's, this increase has by no means kept pace with the greatly increased number of hunters. The duck population has trouble increasing while resting and nesting areas are steadily being curtailed. Particularly in the three important duck-breeding prairie States of North and South Dakota and Minnesota, waterholes have been drained at an alarming rate in recent years. In recent years the rate has been 32,000 a year. Canada's prairie Provinces, which produce the bulk of North America's waterfowl, likewise are undergoing a revolution in land use. Since 1905, the farmland of the prarie Provinces has increased from 3½ million to 50 million acres, much of this increase at the expense of nesting waterfowl.

Nor is the prospect for the future hopeful. Our human population has more than doubled since 1910. Demographers tell us that in another 20 years, the United States will have 200 million people. Much additional land will undoubtedly come under the plow to feed these new mouths, all to the further detriment of waterfowl.

WASTEFUL AND INHUMAN PRACTICE

With more hunters on the one hand, and fewer breeding and resting areas on the other hand, we should be thinking, and thinking hard, of how we can conserve what is left of our waterfowl. Instead, believe it or not, voices are being raised urging that we return to the wasteful and inhuman practice of baiting ducks and geese.

Let me explain to those who have never hunted waterfowl the deadly effectiveness of baiting. Through this deathtrap, ducks can be exterminated as thoroughly as were the passenger pigeons. Baited ducks will keep on coming to the feeding grounds in the face of the gunfire. The hunters who resort to baiting can fill up their bags quickly, but they would have done better to have stopped off at the poultry market and bought their limit there.

In my State of Wisconsin, a hunter who tried to bait ducks would not find himself very popular. We cannot understand how any individual feigning genuine interest in outdoor sport can urge the return to the slaughter conditions that existed in times past.

THE ALBERT DAY CASE

Now, let us get back to the Albert Day case. Former Under Secretary of the Interior Ralph A. Tudor, a San Francisco businessman who was a party to the removal of Mr. Day, tells the story of the replacement of Mr. Day by Mr. John L. Farley with considerable frankness in an article in the Saturday Evening Post of November 27, 1954:

> Even before I left for the Capital to take on the new job, my friends in the banking business were telling me that I must do something about the Fish and Wildlife Service. Complaints about Fish and Wildlife continued to reach me at my desk in Washington, and 90 percent of them were from bankers.
>
> This puzzled me at first, for it would seem more logical for unhappy bankers to be writing the Secretary of the Treasury. It turned out, however, that apparently every banker on the west coast is a duck hunter.
>
> Fish and Wildlife has a rough job, for among its many duties it must tell people when and how long they can hunt and how many ducks they can take—and evidently it is impossible to satisfy a duck hunter.
>
> I turned the tables on the complainants in this instance by making them talent scouts. My reply to them was that the best way to start improving the Fish and Wildlife Service was to get the best man available to head it—and had they any suggestions?
>
> The upshot was that they had, and that is how John L. Farley, ardent fisherman, former schoolteacher, businessman, and one-time executive officer of the California Fish and Game Department, came to head the Fish and Wildlife Service.

The California bankers have not had to wait long in getting a return on their interest in Mr. Farley. In the past two hunting seasons, California hunting clubs have been flagrantly violating the Federal regulation I have quoted above which prohibits the use of bait to entice waterfowl "to, on, or over the area where hunters are attempting to take them." With the connivance of the California Fish and Game Commission, 140 sportsmen's clubs in California have been openly shooting ducks that have been lured by grain placed as close as 200 yards to the guns.

FARLEY DOES NOTHING ABOUT VIOLATIONS

What has Fish and Wildlife Director Farley done about these flagrant violations of the Federal law? The answer seems to be: Nothing. During the entire 1954 hunting season, not a single arrest for baiting was made by the Federal Fish and Wildlife Service throughout the entire State of California.

This winking at the baiting that is going on in California has undoubtedly contributed to the revival of the probaiting interests in two other trouble spots, Maryland and Ohio. During the last hunting season, both the eastern shore of Maryland and the Erie marshes of Ohio have had numerous shocking violations of the Federal baiting regulation. Fortunately, a stout fight to stop the baiting was put up by devoted field representatives of the Fish and Wildlife Service in both areas. But they had to carry out their good work in the face of bullying and browbeating by high administration political figures.

Last December a group of Fish and Wildlife agents, under the leadership of Curtis Allen, enforcement chief for the Fish and Wildlife Service for the Atlantic seaboard, arrested 141 baiters on Maryland's eastern shore. Caught in one raid was the chairman of Maryland's Department of Tidewater Fisheries and Natural Resources Board, Arthur H. Brice. Mr. Brice was caught at Lloyd's Creek Bar near Betterton, at the mouth of the Sassafrass River, with 23 ducks in his blind and with a stack of corn and wheat within 35 yards of his decoys.

UNDAUNTED BY SCANDALS

Undaunted by these scandals, special-interest groups in Maryland are today urging a return to baiting, which they call feeding of waterfowl. To a canvasback who is met by a charge of number six magnum shot, it would seem to make little difference whether he is being fed or baited.

In another local hog bed of baiting activity, the marshes of Lake Erie, one valiant Federal Fish and Wildlife agent, Fred Jacobson, alone caught 71 individuals redhanded in the act of baiting during this past season. One of the more flagrant violators was Maurice Kocher, a member of the Ohio Wildlife Council, who pleaded guilty to baiting ducks with wheat and corn in the United States District Court in Detroit on April 18, 1955.

FRED JACOBSON DID HIS DUTY

For doing his duty, Fred Jacobson should have been commended. Instead, he has been abused and threatened by high administration officials. I speak somewhat feelingly of Fred Jacobson because before his Federal appointment he served as warden for the Wisconsin Conservation Commission, and served it well. But the best tribute to Fred Jacobson for doing his duty against the baiters is given by the Wisconsin Federation of Conservation Clubs, affiliated with the National Wildlife Federation, in the recent News and Views by its executive secretary, Mr. Les Woerpel, of Stevens Point, Wis.:

Fred Jacobson has never been one to compromise with his principles, and that is one reason we hated to see him leave our State. But that propensity has gotten him into difficulty with those people who are so ignorant that they cannot see the handwriting on the wall. At a time when conservation organizations all over the country are trying by every means possible to help their States and the Federal Government acquire wetlands at a greatly stepped-up pace so that we might have at least an even chance of maintaining our duck populations, which appear to be heading for their second great decline, but this time because of a complete loss of wetlands and not just because the Maker decided to withhold the rains for a short time; when States are doing everything possible to stop drainage, and intelligent legislators and Congressmen are trying to help support these programs so that we need not erect another stone monument to a bird that will no longer wing its way in the limitless skies as we have done with the passenger pigeon; we find it almost impossible to imagine politicians with the temerity to get in the way of the Nation's newly aroused hunters and conservationists. * * *

It appears that Fred has been enforcing the law to the letter in Ohio. That's what we have laws for and we are glad that we have some men with enough guts to stand up for what they think is right, because only by the success we have in keeping this kind of man in service are we going to be able to measure our success in preserving our natural resources, whether it be ducks, wetlands, fisheries, soils, or what have you. God bless them and give us more like them. * * *

I didn't write this article to try to protect Fred Jacobson because he is Fred Jacobson. I wrote it in protest against the forces that take away our best men, the men that can help us preserve a resource by enforcing the laws impartially that are made to protect the public right. I wrote it in protest against an administration that is more concerned with the amount of jingle in a few people's pockets than they are in maintaining some of the blessings that God gave us to break the monotony of a whirling world, and which we must have to continue as a "have nation." I wrote it in protest against the ignorant, irresponsible attempt to localize a problem that is nationwide and affects all of us.

The 2,000 hunters on the Lake Erie marshes and the 300 marsh owners have no more right to special treatment than any of the other 163 million people of the United States, and we protest vehemently anyone who is so far out of line as to use political pressure so that a few can reap the harvest which many are sacrificing to create.

I think Mr. Woerpel has summed up very well the attempt of this administration to turn the natural resources clock back to the bad old days.

WILD DUCKS AND GEESE BELONG TO ALL

Mr. Speaker, wild ducks and geese belong to the people of all the States along their flyways. A duckling from the Horicon Marsh of Wisconsin may wing his way over the marshes of Lake Erie in October, and over the Eastern Shore of Maryland in December. Game hogs in one State can ruin the hunting for conservation-minded sportsmen in another State. If baiting is allowed in one section of a flyway, its effect is instantly felt on all the rest of the flyway.

These migratory waterfowl not only belong to all of the States, Mr. Speaker. They belong to all of the people of all of the States. In Europe, the wealthy landlord may purchase outright his hunting area and by expensive corn and grain lure waterfowl his way. In America, on the other hand, the theory is that on the duck marsh, bankers and boilermakers are brothers under the skin. Success in the hunt should go to the straightest shooter, not to him who has the wherewithal to buy bait. It beats me, how those who are noisiest in their devotion to 100-percent Americanism should be so keen about introducing the European system of baiting.

BAITING WATERFOWL IN OHIO

It is interesting to note the source of most of this pressure for a return to baiting waterfowl. In Ohio, it seems to come largely from the clubs and wealthy individuals who own the shooting areas on the Erie marshes. Here is what the Toledo Blade had to say on this subject on March 30, 1955:

If our hunters can outwit the duck, that seems fair sport to us. * * *

But when it comes to baiting marshes, that appears to us to be something else again. Man did not create the food which the Lord put on earth for all His creatures to enjoy. And it's not their wits but a universal gift men employ when they have to lure ducks to their doom with food. Of course, this makes it possible for the hunters to get their limit quicker, but where's the sportsmanship in it?

Aye, that's the rub. Duck hunting has been commercialized to the extent that it has become big business. It's a lucrative sideline to the farmers who can sell shooting rights at their holes at a goodly fee each year. It's the most luxurious entertainment a corporation can offer its customers, actual or potential. It's a tourist attraction for the resort towns in the marshland area. And when everyone has so much money invested or involved, they naturally want to have plenty of ducks around to be shot easily and quickly. * * *

We have no objection to grownup men outwitting ducks if they can. But it would be a shame, it seems to us, if in the process they should outwit themselves and destroy the species.

Incidentally, wealthy duck hunters on the Erie marsh properties constitute only 5 percent of the duck hunters of Ohio—but they bag 20 percent of the ducks. By browbeating an honest law enforcement officer like Fred Jacobson, perhaps they can up their percentage to 50 percent of Ohio ducks.

CALIFORNIA BANKERS EXPONENTS OF BAITING

In California, it is apparently the bankers who are the great exponents of baiting. At least, that is the only conclusion I can draw from the candid memoirs of former Under Secretary of the Interior Ralph A. Tudor, quoted heretofore.

John Biggs, director of game for the State of Washington, made a survey of baiting at the California duck clubs this last season. His view is quoted in the Seattle Daily Times for January 6, 1955:

Duck hunting is big business in California. It is mainly in the hands of powerful, wealthy men, who take a large part in the political management of waterfowl.

In Maryland it is the club hunters again who are doing most of the pressuring for a return to baiting. One of the club owners recently publicly bemoaned the antibaiting regulation, complaining that he and his 9 fellow club men had killed only 220 ducks last year, an average of only 22 apiece. Apparently it never occurred to this overstuffed Nimrod that if the other 400,000 hunters on the Atlantic flyway had ex-

perienced the same miserable luck—only 22 ducks apiece—the overall kill would have been 9 million ducks, which would have meant exterminating every single living waterfowl on the flyway, and then looking around for more ducks to kill.

WISCONSIN'S PATRON SAINT OF CONSERVATION

As is evident, Mr. Speaker, I feel strongly about this attempt to bring baiting back. I know what the late Aldo Leopold of Wisconsin, patron saint of the conservation movement, meant when he said:

> There are some who can live without wild things and some who cannot. I am one of those who cannot.

As Rachel L. Carson, author of The Sea Around Us, has said:

> The real wealth of the Nation lies in the resources of the earth—soil, water, forests, minerals, and wildlife. To utilize them for present needs while insuring their preservation for future generations requires a delicately balanced and continuing program, based on the most extensive research. Their administration is not properly and cannot be a matter of politics. * * *
>
> For many years public-spirited citizens throughout the country have been working for the conservation of the natural resources, realizing their vital importance to the Nation. Apparently their hard-won progress is to be wiped out, as a politically minded administration returns us to the dark ages of unrestrained exploitation and destruction.
>
> It is one of the ironies of our time that, while concentrating on the defense of our country against enemies from without, we should be so heedless of those who would destroy it from within.

If the President is interested in protecting wildlife, he is making a tragic mistake this week in easing Mr. Day out and retaining Secretary McKay. Instead of acting as guardian of our natural resources, Mr. McKay seems bent on presiding at their liquidation. If the President will study the record, I think he will come to the conclusion that he should restore Mr. Day and fire Mr. McKay.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. SAYLOR. I appreciate and congratulate the gentleman on his comments with regard to baiting; it is a practice that should be prosecuted to the fullest extent of the law. However, it would interest the gentleman from Wisconsin and the entire public to know that the activities of this same Mr. Albert M. Day whom you so highly praise were included within the scope of an investigation by a special subcommittee of the House Interior and Insular Affairs Committee because, among other things, according to allegations by one of his own law-enforcement agents, Mr. Day was caught redhanded himself shooting ducks over a baited blind down here in Maryland.

These special subcommittee hearings last year resulted in a conclusion that the then Director, Albert M. Day, did everything within his power to fire his own Acting Director and chief law enforcement officer because these two individuals felt that the charges against Day should be prosecuted as would similar charges against any other person allegedly violating the Federal waterfowl regulations.

The subcommittee conclusions, involving this activity as well as other activities by Mr. Day, were transmitted in writing to the Secretary of the Interior for whatever action the Secretary deemed appropriate.

I would suggest that the gentleman from Wisconsin [Mr. REUSS] consult with Mr. Day to determine whether there is any relation between the subcommittee's report and the removal of Mr. Day from Federal employment in the Fish and Wildlife Service.

I heartily concur in your sentiments with regard to prosecuting anyone who hunts over a baited blind. But I want to call your attention again to the fact that the gentleman whom you are praising so loudly who is to be "relieved" was himself guilty on the basis of the subcommittee's report of the offenses of which you are saying others are guilty.

Mr. REUSS. I thank the gentleman for calling my attention to a matter which I have no way of checking up on at the present time. I certainly will accept the gentleman's report of what happened. Let me say then that the other winkers at baiting, Secretary McKay, the so-called fish and wildlife authority, should suffer the same fate as Mr. Day.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. HOFFMAN of Michigan. I wish to commend the gentleman for his effort and I join my friend, the gentleman from Pennsylvania [Mr. SAYLOR], who just spoke in suggesting that the violators all get a dose of what they have coming to them. If I can be of any assistance in putting their names in the RECORD and in their home papers so that their neighbors may know what kind of individuals they are and whether or not they obey or disregard the law, I will be happy to do so.

Mr. REUSS. I thank the gentleman from Michigan, who I know is a devoted conservationist and a true sportsman and a man who, I feel sure, will do all he can to see that the Department of the Interior stops winking at this outrageous evasion, avoidance, and violation of the Federal laws and regulations.

Mr. HOFFMAN of Michigan. Mr. Speaker, I might add that it would be helpful—I know it would be helpful to those who put in a day's work before they can go fishing—if some of these writers for the local papers when they print a story about how the shad are running here and there and the other place, and call attention to the fact that some individual got so many the day before, would add to their stories information as to whether the fish to which they refer were caught in a net or on a lure.

Mr. REUSS. I thank the gentleman from Michigan for pointing out that this problem of conserving our natural resources is not just a problem having to do with waterfowl, but has to do with fish and soil conservation and trees and all things that grow, and water and so on, and that we must be on the alert on all fronts to see that our priceless natural heritage is not wasted.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. ASHLEY. The problem which the gentleman from Wisconsin has discussed so candidly is one of considerable importance to citizens in every part of the country. It is the kind of problem which will affect future generations. Being a resident of the Great Lakes port of Toledo, Ohio, and also as a member of the House Committee on Merchant Marine and Fisheries, I have become increasingly aware in recent months of the necessity of conserving our Nation's migratory waterfowl.

In all justice, it must be said that there are two sides to this issue, and that the proponents of each point of view are sincere in their beliefs. I have met a number of men, many of whom I count as my personal friends, who honestly believe that present regulations can and should be changed to allow duck feeding. I am glad to say that the various plans which they have recently devised have received every consideration by top officials of the Fish and Wildlife Service.

And in all justice again, Mr. Speaker, I think that any criticism of the Fish and Wildlife Service should be tempered by consideration of the emotion which surrounds the diverse points of view on this matter. I, myself, have firsthand knowledge of the kind of pressure to which wildlife officials can be subjected and I have a deep respect for the honest approach they take to a complicated and difficult problem.

Mr. Speaker, Dr. Ira N. Gabrielson, president of the Wildlife Management Institute, Washington, D. C., an organization dedicated to wildlife restoration, has recently called public attention to the growing widespread concern about whether the Nation's migratory waterfowl are being given sufficient consideration by those responsible for the administration of the Migratory Bird Treaty Act.

Dr. Gabrielson was the first Director of the United States Fish and Wildlife Service and is a former chief of the old Biological Survey. In view of his criticism of the manner in which the Migratory Bird Treaty Act is presently being administered, I think it is interesting to point out that Dr. Gabrielson is a brother of Guy Gabrielson, former chairman of the Republican National Committee.

Excerpts from Dr. Gabrielson's speech, delivered before the National Citizens' Planning Conference on Parks and Open Spaces for the American People in Washington on May 24, follow:

> Since the passage of the Migratory Bird Treaty Act, there is no question but what the administrative policy of the Biological Survey and of the Fish and Wildlife Service has generally given primary consideration to the welfare of the waterfowl resource. Since the welfare of the ducks and geese is the prime consideration, it is necessary to be somewhat conservative in making regulations.
>
> There has, however, been a growing doubt in the minds of many conservationists as to whether the welfare of the resource is now

being given sufficient consideration by those responsible for the administration of the Migratory Bird Treaty Act. In the face of a declining population for 2 years, there has been a considerable relaxing of the regulations. This has been particularly noticeable in California where special consideration has been given to that State under the guise of helping in an admittedly serious depredation problem. Former Under Secretary of Interior Ralph Tudor, following his resignation, stated in an article in the Saturday Evening Post that the waterfowl administration had been set up to please the California duck hunters, and a review of the record provides some evidence to support this statement.

The California experimental feeding program has now been in effect for 2 years. Following the first year's operation, there was widespread criticism of the manner in which it had been carried out. A review of the information furnished by the California Department of Fish and Game does not indicate that the program has improved materially in its second year's operation and that it has had little value in reducing depredations, the chief reason given in justifying it.

In the first year, 141 clubs were licensed to feed, and this year 140 clubs actually participated. The real depredations on the rice and other grain crops in California normally come before the hunting season, and feeding before the hunting season is probably the major contribution that this feeding program could possibly make. Reports indicate that in 1953, slightly under 20 percent of the total amount of feed provided was used prior to the hunting season; while in 1954, it was slightly over 20 percent. The total amount of food so provided is not great enough to provide any significant part of this food supply for waterfowl reported from California at that season, and it appears certain that, as far as reducing depredations is concerned, this has not been a conspicuous success.

The statement has been made many times by club members that it did not noticeably increase their duck kill to be able to feed, but that it did enable them to get their birds in a shorter period of time, which according to their statements is the real inducement for their use of feed under this program.

There are reported to be 1,300 duck clubs in California with a membership of about 13,000. According to the latest figures, there were 193,196 duck stamps sold in California. These figures indicate how small a part of the California hunters really desire this feeding program. About 10 percent of the clubs, or a little over one-half of 1 percent of the hunters, operated under it in each of the 2 years.

This concession to California is, as could be anticipated, leading to serious complications for the Department of the Interior in its dealings with other sections of the country. For example, both Ohio Senators and both Maryland Senators recently have been getting considerable publicity for their persistent efforts to get equal favors for a small minority of the waterfowl hunters in their States.

In Ohio, about 5 percent of the total number of waterfowl hunters hunt in the Erie marshes, and this is the group that wants the privilege of baiting. Their kill, according to the figures of the Ohio Conservation Department, amounts to about 2.6 ducks per hunter per day, as compared to an average of 0.7 of 1 duck per hunter per day for all those who shoot outside the Erie marshes. Despite the fact that the Erie marsh hunters already enjoy a 4-to-1 advantage over the average gunner, this group is exerting vigorous political pressure for added privileges for themselves, in the face of the fact that waterfowl populations have declined for 2 successive years, and that the winter inventory shows a decrease for this year. It will take better-than-average hatching and breeding success to prevent a decline from showing up for the third successive year when the birds come south in the fall.

In Maryland the demands are the same that were voiced back in the mid-thirties when the birds reached their lowest ebb. At that time the delegations came to my office and demanded about the same things that are being voiced in behalf of a certain element of Maryland duck hunters by the Senators from that State. As I recall it now, they wanted baiting and live decoys restored, longer seasons, and bigger bag limits. I vividly recall one ex-Governor of that State pounding my desk and shouting, interspersed with considerable profanity, that he did not care whether there were any waterfowl left after he was dead; he wanted to shoot ducks while he was alive. After that he did not care. He was a lot more frank than the average, but his objective was much the same.

The question is often asked, What is wrong with baiting? As a matter of fact, all States have long since outlawed the practice of baiting or using salt to attract resident game to the guns, and only in the case of migratory birds was it legally permitted to continue until it was banned during the great duck depression in the mid-thirties. There are two things against it, aside from ethical questions, that are raised by many sportsmen. First, it is too efficient. As long as it was used by a limited number of hunters it did not adversely affect the waterfowl populations. As its use became more widespread, it became more efficient and more deadly. With the growing number of duck hunters, I can see no possibility of a return to baiting without the destruction of the waterfowl resource. Second, it further stacks the deck in favor of a group of hunters who already have great advantages over the average fellow who buys a duck stamp.

These demands, at a time when waterfowl populations are declining, and coming from States in which no depredation problem is involved to confuse the thinking on the subject, are bringing the situation to a definite showdown. Conservationists should extend a vote of thanks to the baiting advocates, BRICKER, BENDER, and BUTLER, and BEALL, for bringing it into focus so sharply.

The original concessions made to California have brought their inevitable results in increasing demands for similar consideration for other groups in other places, and the situation will continue to get worse until it is corrected. Conservationists throughout the country earnestly hope that the Department of the Interior, in view of the growing crisis which apparently confronts the waterfowl populations, will give the birds the breaks in the 1955 regulations; that they will take another look and another approach to the depredations problem; and that no consideration will be given to the political pressures so prominently discussed in the press in recent weeks.

Is it too much to hope that the Department of the Interior will chart a straight course based on sound management principles? If they do, I believe they can be assured the support of every conservationist in the country.

Mr. REUSS. I thank the gentleman.

SPECIAL ORDER GRANTED

Mr. JOHNSON of Wisconsin asked and was given permission to address the House for 15 minutes, following the address of the gentleman from Pennsylvania [Mr. SAYLOR].

NATIONAL PARK SYSTEM THREATENED

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 20 minutes.

Mr. SAYLOR. Mr. Speaker, the plan to build Echo Park Dam as a unit of the Colorado River storage project has raised a storm of protest from the millions of people throughout the Nation who appreciate our magnificent system of national parks and monuments. There is good cause for their alarm. Echo Park Dam would flood a substantial portion of Dinosaur National Monument, a beauteous stretch of wilderness in Colorado and Utah that is part of our National Park System. But the partial destruction of one of our cherished national monuments is only part of the reason for the great concern across the land. Equally important is that Congress would be setting a dangerous precedent that would open the door to the invasion of our entire network of national parks and monuments for nonrecreational uses.

The debates and discussions on Echo Park Dam have raged long and feverishly. The arguments in favor of the dam reached a climax on March 28, 1955, when one of its chief proponents, Senator WATKINS of Utah, appeared before the House Irrigation and Reclamation Subcommittee to present a lengthy and legalistic statement in which he attacked conservationists for having "consciously or unconsciously deceived and misled thousands of sincere and well-meaning American citizens" on the Echo Park issue.

This was an unfortunate slur on a group of sincere and honest Americans who share with millions of fellow citizens a deep appreciation of the natural wonders of our parks and monuments, and who are concerned over their threatened destruction. Senator WATKINS argued that the dam would not invade a national monument, but rather that the national monument is invading a power development area. This effort to turn the facts upside down was a noble one, but it was totally unsuccessful.

The basic issue involved is simple and clear. The Echo Park Dam site is located inside the boundaries of the Dinosaur National Monument. The reservoir to be created by the dam would inundate a substantial portion of the monument. It is equally clear that Congress never before has authorized an invasion of a national park or monument for a nonrecreational purpose. The issue is simply whether Congress wants to make an unprecedented deviation from this long-established policy.

No one challenges the power of Congress to authorize the construction of Echo Park Dam. Congress could destroy every inch of our national parks and monuments if it wanted to. No one has any vested rights in these great natural preserves. They are privileges which we all may enjoy, but which Congress may take away from us at any time. The only restraint on Congress is its good sense.

Fortunately, up to this point Congress has had the good sense to recognize the ever-increasing value of the National Park System to our constantly growing population. Senator WATKINS was in error at the very outset of his statement when he said that opponents of Echo Park Dam "challenge not only the propriety but also the legal right of public use of these reservoir and dam sites." Of course, no one challenges the power of Congress to deviate from its own policy of protecting the national park system. Only the propriety of such action by Congress is challenged, and it is challenged earnestly.

The essence of Senator WATKINS' argument is that when President Roosevelt, by proclamation of July 14, 1938 (53 Stat. 2454), enlarged Dinosaur National Monument to its present size, he said that the monument was not to interfere with the future development of the Echo Park Dam site. That this is a strained interpretation of President Roosevelt's 1938 proclamation becomes clear when the proclamation is examined. The text of the proclamation is as follows:

Whereas certain public lands contiguous to the Dinosaur National Monument, established by proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest; and

Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906, chapter 3060 (34 Stat. 225 U. S. C., title 16, sec. 431), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public-land laws and added to and made a part of the Dinosaur National Monument:

* * * * *

aggregating 203,885 acres.

Warning is hereby expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification and for other purposes made by Executive Order No. 5684 of August 12, 1931, and the Executive order of April 17, 1926, and the Executive order of September 8, 1933, creating water reserves No. 107 and No. 152.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916, 39 Stat. 535 (U. S. C., title 16, secs. 1 and 2), and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the Reclamation Withdrawal of October 17, 1904, for the Brown's Park Reservoir Site in connection with the Green River project.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 14th day of July, in the year of our Lord 1938, and of the independence of the United States of America the 163d.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,
The Secretary of State.

The language that Senator WATKINS first seizes upon is "subject to all valid existing rights." He argues that prior power withdrawals are valid existing rights. Power withdrawals are not rights of any kind. The only effect of a power withdrawal is to close the area designated to entry under the public-land laws. The President's authority to withdraw public lands for waterpower sites and other purposes is spelled out in section 141 of title 43 of the United States Code Annotated:

SEC. 141. Withdrawal and reservation of lands for waterpower sites or other purposes. The President may, at any time in his discretion, temporarily withdraw from settlement, location, sale, or entry any of the public lands of the United States, including Alaska, and reserve the same for waterpower sites, irrigation, classification of lands, or other public purposes to be specified in the orders of withdrawals, and such withdrawals or reservations shall remain in force until revoked by him or by an act of Congress. (June 25, 1910, ch. 421, par. 1, 36 Stat. 847.)

A power withdrawal is merely a precautionary measure to assure that prospective power development sites do not pass to private ownership under the public-land laws. A power withdrawal does not guarantee to anyone that the site will be developed for power purposes. Many many more power withdrawals are made than power dams are built. Many withdrawals which are made are never used. The President is even authorized by the statute to revoke a power withdrawal any time he sees fit. This means that President Roosevelt could have gone through the process of revoking the power withdrawals within the enlarged area of Dinosaur National Monument before he issued the 1938 proclamation. But this was unnecessary. The proclamation revoked the withdrawals by implication.

In effect, President Roosevelt decided that it was more in the public interest to designate this scenic area as a national monument than to save it for future power development. He had undisputed statutory authority to make this decision. The President's authority to designate Government-owned or controlled lands as national monuments was established by act of June 8, 1906—34 Statutes 225.

When Senator WATKINS refers to power withdrawals as "solemn reservations" that are "binding and legal reservations for water development," he is inflating their legal status far out of proportion to reality. The President, through the Secretary of the Interior, may create them one day and destroy them the next. The President's discretion is limited only when some private rights are vested. Private rights have never attached to the power withdrawals in Dinosaur National Monument. Even the application for a preliminary permit by the Utah Power & Light Co. was withdrawn before the 1938 proclamation enlarging the monument to its present size.

Senator WATKINS also tries to make much of the language in the Presidential proclamation, "except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920—Forty-first Statutes, page 1063—as amended." It is difficult to see how this language supports Senator WATKINS' position that the proclamation contains "a specific exemption of power withdrawals." The fact is that the Federal Water Power Act of 1920 had been amended in 1935 to remove any possible suggestion that the Federal Power Commission had any jurisdiction over public lands designated as national parks or monuments. This conclusion is supported by two opinions by solicitors of the Department of the Interior—M. 29936, dated August 19, 1938—Frederick L. Kirgis, acting solicitor—and M. 30471 dated December 5, 1939—Nathan R. Margold, solicitor. Mr. Margold's conclusion is especially significant:

Any attempt to preserve this authority—

To grant licenses for power works—

in the Commission by specific provision in the national monument proclamation would be ineffective since the authority of the Commission has been prescribed by Congress and cannot be extended by provisions in an Executive proclamation of this character.

A review of the Federal Water Power Act of 1920 and amendments thereto demonstrates how firmly Congress established the policy of not permitting the development of water power sites within national parks and monuments. By the Federal Water Power Act of June 10, 1920, in Forty-first United States Statutes at Large, page 1063, the Federal Power Commission was authorized to issue licenses for building power works "upon any part of the public lands and reservations of the United States." "Reservations" was defined to include "national monuments" and "national parks."

The very next year, by act of March 3, 1921, in Forty-ninth United States Statutes at Large, page 838, the FPC's authority was restricted so that it could not operate "within the limits as now constituted of any national park or national monument." Finally, by act of August 20, 1935, in Forty-first United States Statutes at Large, page 1353, any doubt that the FPC's authority might extend to parks or monuments created or enlarged after 1921 was resolved when the basic definition of "reservations" was changed so as to expressly exclude national monuments or national parks. The purpose of this unequivocal amendment was made doubly clear in House Report No. 1318, 74th Congress, 1st session, at page 22:

The definition of the former term ("reservations") has been amended to exclude national parks and national monuments. Under amendment of the act passed in 1921, the Commission has no authority to issue licenses in national parks or national monuments. The purpose of this change in the

definition of "reservations" is to remove from the act all suggestion of authority for the granting of such licenses.

Senator WATKINS stated that "all the talk about the restriction of FPC licensing authority under the 1921 and 1935 amendments to the Federal Water Power Act of 1920 has just been a legal smokescreen to obscure the facts." This comment demonstrates most dramatically the weakness of Senator WATKINS' entire argument. Recall that the only issue in controversy here is whether Congress would be establishing a precedent if it authorized the construction of a dam in a national monument. Although Congress has the undisputed power to invade a national monument for power purposes, it has never exercised that power. And the significance of the amendments to the Federal Water Power Act of 1920 is that Congress even took the trouble to assure that the Federal Power Commission could not invade our national park system by removing all FPC jurisdiction over lands within parks and monuments.

The final conclusion reached by Senator WATKINS is a curious one. He asserts that since Echo Park Dam would be a Federal project, there would be no necessity for the FPC to issue a license. He stated:

> It would be necessary for Congress to authorize the construction of such dams, which it has full authority to do.

Of course, Congress has such authority. But the issue is whether Congress should exercise that authority. In short, Senator WATKINS goes through an extremely elaborate legalistic argument to conclude what no one disputes—that Congress can authorize Echo Park Dam if it wants to. But Senator WATKINS has never answered the basic argument of those opposed to Echo Park Dam: Congress never before has permitted a dam to be built within the boundaries of a national park or monument. If it approves Echo Park Dam, it will destroy a magnificent stretch of natural scenery and at the same time will set a dangerous precedent for the invasion of our entire national park system. This is an argument that has never been answered because it is unanswerable.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. HOSMER. Is not this Echo Park Dam an integral part of the proposed upper Colorado storage project?

Mr. SAYLOR. The proponents of the upper Colorado River storage project would have you believe that; in fact, they have even gone so far as to say that if this dam is not built the entire upper Colorado River project is not feasible. I disagree.

Mr. HOSMER. As I recall the testimony on this project given to the Interior Committee last year by then Under Secretary of the Interior Ralph Tudor he stated that to take Echo Park Dam out of the upper Colorado River project would be like taking the pistons out of an engine; in other words, this thing could not possibly work financially without the added power that Echo Park Dam would bring to supplement that produced at Glen Canyon so that between the two dams they could raise the amount of firm power and then possibly, although there was not any clear testimony on that, obtain sales for the power in an attempt to turn back to the Treasury at least a part of its multimillion dollar investment. So I would say to the gentleman that in this instance if that testimony is to be believed, and I know of no reason why it should not be, whether or not the upper Colorado storage project as presented to this Congress has the words "Echo Park Dam" printed in it, it is still there, because you cannot take the dam out of the project any more than you can abolish history by tearing a page out of a book and burning it up, because it is an integral part, it is the pistons of the engine. If you do not give it to them when the bill first comes in they are going to put it in in conference, if not this year, then next year or the year after. They will say: "We have spent a billion dollars out of the Treasury. We have now come to the point where we need the pistons for our engine; give us Echo Park Dam." In the face of this argument those who oppose it can do nothing but yield so the Treasury can hope to get some return possibly out of this thing. Unless the entire upper Colorado River project is revised as it should be to be an irrigation project and not principally a power project subsidized out of the United States Treasury for the benefit of a few people in the upper basin States of Wyoming, Utah, New Mexico, and Colorado.

Mr. SAYLOR. I would like to say to the gentleman that while the Under Secretary did appear and make those statements, other competent engineers have appeared before our committee and stated that there are alternate sites which have not been presented; that while they probably would not produce quite as much power or not have all the facilities that Echo Park Dam would have, yet they would make the entire upper Colorado River project feasible.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. I am sure I agree with the gentleman in that statement and I assume that the gentleman would agree to an amendment to the bill, if that were necessary, to permit the Echo Park issue to be decided by competent engineers at a later date if the Echo Park Dam were stricken out.

Mr. SAYLOR. No; I will not agree to that. That is the thing that the people who are interested in preserving our national parks and monuments are deeply concerned about, that Congress not violate what has been the rule since 1872 when our first national park was established.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield further?

Mr. SAYLOR. I yield.

Mr. DAWSON of Utah. Is it not a fact that Gen. U. S. Grant III, and others who were in charge of the conservationists who appeared against Echo Park Dam were urging that very thing, that a study be conducted by disinterested persons to determine whether Echo Park Dam should be deleted?

Mr. SAYLOR. From the time they offered their suggestions they have been held up to ridicule by the people who come from the upper basin States. Gen. U. S. Grant III, grandson of a former President of the United States, the leader of the Union forces, General Grant III, an engineer of note for over 40 years, has been held up to ridicule and scorn by the people who live in the 4 upper basin States because he has had the integrity and courage to stand up and challenge the word of the boys downtown in the Bureau of Reclamation. I think it is important that members of the public know this: He challenged them with regard to the figures on evaporation which they said was absolutely important and that was the all-important factor as to why we had to have Echo Park. General Grant has proven, incidentally, that there was an error of 600 percent in those evaporation figures.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Does the gentleman recall the testimony of U. S. Grant III, that he had not been out to the area, he had not seen the dam sites, he had not made any personal investigation?

Mr. SAYLOR. I can say that I recall that, but I also recall the fact that many of the people who appeared for the Bureau of Reclamation also admitted that they had never been down there. There had only been a handful of people who had been down there and it was not until this year that we got the Bureau to admit that the plan they drew up in 1947 for building a dam at Glen Canyon at mile 4 involved such impossible conditions that it would never be feasible to build a dam. They did not come up and tell the committee. It was not until some of us found out the situation, that they had to move 11 miles up the river to mile 15 where the present site is to build a dam.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. HOSMER. On that particular point of the attitude of the naturalist group, I talked to several of them in the last few days and they have universally expressed to me the thought as I mentioned a moment ago that whether or not the words "Echo Park Dam" are printed or whatever may come to the House floor, Echo Park Dam is there as a part of the project. It cannot be taken out at this point. I commend the gentleman's efforts in attempting to get the Bureau and other interested people to look around at some alternative sites. But the constant answer is, as I understand it, there are none, you have to have Echo Park. In other words, Echo Park is the piston that makes the engine work.

I do not want to see anybody in the House deluded when this bill comes to the floor and not see Echo Park there, I do not want them to believe that it is not there. It is just as much a part of the project as a man's arm is a part of his body. It never will be out unless and until the gentleman's request to the Bureau and others to go in and look over these alternate sites is treated with the sincerity with which it has been made by the gentleman from Pennsylvania.

Mr. DAWSON of Utah. I would like to direct an inquiry to my friend from California, but the gentleman may submit it for me. I would like to ask the gentleman from California if he would vote for Echo Park Dam.

Mr. SAYLOR. That is completely beside the point and that is not the purpose of my discussion. I am here at this time to discuss the legal arguments which Senator WATKINS made with regard to his basis for invading a national park or monument.

Mr. DAWSON of Utah. I would like to hear the gentleman's answer.

Mr. HOSMER. I may say to the gentleman from Utah I think anyone should vote to keep Echo Park Dam in if this legislation is to become law for the simple reason that if you do not do so you will have a million or $2 million investment of the taxpayers' money involved in a direct loss plus all the hidden costs, the interest and compound interest on that money you have to go out and borrow. You would have that whole thing involved and you might have to try to get some of it back. The words I have just spoken do not indicate my approval of Echo Park Dam or the Glen Canyon Dam, or of the 11 participating projects that are in this bill or of the some 200 other projects that are projected and planned in the future and that Congress will be asked to spend money for in these four Western States.

Mr. SAYLOR. I appreciate the gentleman's remarks because it has been our observation, the gentleman from California and myself, that the bill as it came from the Senate will cost the taxpayers of this country $1,658,000,000, and that is only the initial cost.

Mr. HOSMER. Mr. Speaker, will the gentleman yield further?

Mr. SAYLOR. I yield.

Mr. HOSMER. Before the gentleman concludes his remarks, I would like to point out that not only involved in this project is the matter of the Dinosaur National Monument but another one of the great, beautiful monuments of the Nation's heritage, Rainbow Natural Bridge. The other power dam in this initial phase, the Glen Canyon Dam, is in the immediate area of the Rainbow Natural Bridge, and, as you know, that is a great natural arch of sandstone that presents itself in the middle of this formation. And what would happen is this: That if Glen Canyon is built it will back water up 183 miles along the Colorado River and some 70 miles up along the Yampa River, and it will back up into one of the valleys that feeds into the Colorado system water up to Rainbow Natural Bridge unless, of course, they go ahead and build, according to the witnesses' testimony, a dam 200 feet high and 100 feet wide to prevent this flooding of Rainbow Natural Bridge. Now, they do not know how they are going to do it. The geologist in testifying before the committee testified that the only possible way to build dams and to dig tunnels out in the Navaho sandstone formation was by means of blasting out by explosives and bringing the mountains down. Now, they have also testified that within a mile of this fragile natural bridge they are going to be blowing off explosives to build this dam 100 feet wide and 200 feet high, and within a mile on the other side of Natural Bridge they will be blowing off other explosives and digging a tunnel to divert the water. What does that mean? If they do not build this dam, Rainbow Natural Bridge will be destroyed by water. If they do build this dam, there is a good chance that Rainbow Natural Bridge will be destroyed in the process of blowing away rocks in order to put up this supposed protection. That is another thing in addition to the Dinosaur National Monument that all of the Members of this House should have in their hearts and minds when and if they ever have to consider this bill here in the House.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield further?

Mr. SAYLOR. I yield.

Mr. DAWSON of Utah. I would like to make an observation on the comments of my friend from California. It is a strange thing that the Representatives from southern California come in here and complain about the destruction of the beauty of these canyons. I think there is something else involved besides the beauty that they have in mind. However, as far as Glen Canyon is concerned, I simply want to remind the gentleman that the southern California interests have spent a lot of money up at Glen Canyon, and they at one time intended to construct that dam themselves. They sent their engineers up there and they made an application, as I understand, to construct a dam. Yet now they say it is going to destroy some of the beauty.

Mr. SAYLOR. Because they probably found, as others have found, that if they would build that dam, it would destroy Rainbow Natural Bridge.

FARMERS UNION OFFERS DAIRY PROGRAM PLAN

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. JOHNSON] is recognized for 15 minutes.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on Friday, June 3, one of the major farm organizations—the National Farmers Union—presented to the House Dairy Subcommittee a comprehensive program addressed to the production and distribution of milk and butterfat as it affects farmers and consumers. The program presented by the Farmers Union is a broad one in that it covers the economic problems of milk producers selling their milk for buttermaking, manufactured purposes, and retail fluid sales. With respect to Farmers Union's proposals for fluid-milk sales, I may say that it covers city markets under Federal marketing orders and State regulations as well as milk sold in unregulated fluid markets.

In the course of their testimony, Farmers Union officials strongly recommended enactment of legislation along the lines of H. R. 4360 which I introduced on February 24, 1955. Incidentally, I wish to say at this point that I introduced H. R. 4360 for the purpose of determining farmers' reactions to the general idea of using production payments and marketing quotas as a method of supporting the prices and incomes of milk producers at a more realistic and adequate level than is provided by existing legislation and administration policies.

I wish to say further that since I introduced H. R. 4360 I have had numerous letters from dairy farmers all over the Nation requesting particulars as to how the proposed program can be carried out. It was with interest, then, that I listened to the detailed proposals outlined by Farmers Union officials in their extensive testimony on how a program for production payments and marketing quotas can be applied to the dairy industry in all of its various ramifications.

While I do not necessarily subscribe to all of the suggestions made by the National Farmers Union in their testimony, I do believe that they have made proposals which indicate the organization has given long and thoughtful consideration to our pressing dairy problems.

I believe that these proposals can be used as a basis for further study by Members of Congress. If some of the proposals have merit, they can be incorporated in basic and long-range legislation. On the other hand, other proposals can be used as a starting point to improve the program with the assistance of dairy farmers.

The full testimony, which follows, was given by James Patton, president of the National Farmers Union; E. E. Bottomley, vice president of the Virginia Farmers Union; K. W. Hones, president of the Wisconsin Farmers Union; Albert Hopkins, president of the Arkansas Farmers Union; Edwin Christianson, president of the Minnesota Farmers Union; Dwyte Wilson, general manager of the Equity Union Creameries of Aberdeen, S. Dak.; and James C. Norgaard, manager of the Farmers Union Creameries of Nebraska. Following is the testimony of these men.

In view of the importance of this testimony—which brings to Congress for the first time a new, exploratory and tentative approach for solving the economic problems of dairy farmers—I include as part of my remarks the testimony given by the various Farmers Union

officials to the House Dairy Subcommittee on June 3, 1955:

SOLUTIONS TO ECONOMIC PROBLEMS OF MILK

(Statement of James G. Patton, president, and other representatives of National Farmers Union on economic problems of milk, before the Dairy Subcommittee of the House of Representatives Committee on Agriculture, June 3, 1955)

Mr. Chairman and members of the committee, for the record, I am James G. Patton, president of National Farmers Union.

As we reported to your committee at an earlier hearing, the board of directors of National Farmers Union, composed of all State presidents, inaugurated several years ago a long-term scientific research and field educational program on the economic problems of milk. Our study has progressed through only the exploratory steps. Yet, even at this early date in our planned long-term project, certain economic trends in rural areas are so obviously and universally adverse that the major outlines of corrective action are abundantly clear.

The growing dairy economic problem of the United States is bounded on one side by national underconsumption of milk and its products and on the other by unnecessarily and distressingly low income of milk producing farm families.

A few of the problems of underconsumption and low dairy farm income can and should be alleviated or solved by action by local and State governments and by individual dairy farmers and their cooperatives. Probably some improvements can be made in the market-area milk orders. But the big, crucial, key solutions of the economic problems of milk and the good people who produce it must come by way of nationwide action programs adopted by the Congress of the United States and administered by the Federal Government.

A very large majority of Farmers Union members produce some milk for sale. For many Farmers Union members the sale of milk is the major source of family income. As a result, the economic and production problems of milk have always been a major concern of National Farmers Union. Some Farmers Union members sell milk under Federal orders, others under State milk price regulations, and others sell milk for butter production and other manufactured products. Many Farmers Union dairy farmer members belong to milk producer cooperatives, some of which are directly affiliated with the Farmers Union organization and carry the words "Farmers Union" in their corporate names. Other dairy farmer members of Farmers Unions have not yet been able to establish dairy marketing and processing cooperatives and still sell directly to whatever market is available.

Because of this wide diversity of conditions, we felt that we should make available to your committee the knowledge and opinions of a wide range of representatives of Farmers Union members who can give you firsthand information on the different situations. While we have a large number of witnesses, we shall studiously avoid the presentation of cumulative testimony. Each of our witnesses will discuss with you different phases of our complete list of recommendations. After our witnesses have all spoken, I shall briefly list our recommendations for new and improved Federal legislation that in our opinion is currently feasible and which milk-producing farm families in all areas of the Nation will support and in which consumers and dairy farmers alike will be able to see a substantial area of agreement in the public interest.

It would probably conserve the time of the committee and prevent some confusion in your proceedings if you will hear all of us to the end, except for questions of clarification, and then after we have presented our statements we shall be glad to stay as long as the committee sees fit, to answer any questions that members desire to raise.

DAIRY FARM INCOME AND NEED FOR IMPROVED FEDERAL MILK PRICE-SUPPORT PROGRAM

As members of this committee know, National Farmers Union strongly urges that farmers' returns on the family farm production of all farm-produced commodities should be supported by Federal action at 100 percent of a reasonable parity price. Personally, I am deeply convinced of the workability, soundness, and justice of this recommendation. We strongly recommend that Congress enact legislation making it mandatory upon the Department of Agriculture to support the returns to milk producers at 100 percent of the parity price.

If the price received by farmers for milk were at 100 percent of parity, this would be $4.75 per hundredweight for milk, and 75 cents per pound for butterfat in cream, national average parity price based upon March 15, 1954 conditions. Such prices would have given a total national gross value of the 124.5 billion pounds of milk produced in 1954 of $5,913,750,000. A similar volume of milk is expected to be produced in 1955.

On April 1, 1954, President Eisenhower's Secretary of Agriculture put milk on the sliding scale and dropped supports to 75 percent of parity. At 75 percent of parity for the national average price received by farmers for milk, the total national gross value of the expected 1955 production of milk figures out to be only $4,435,312,500.

The difference in gross value of milk produced between 100 percent of parity figures and Eisenhower's 75 percent of parity figure amounts to a loss to America's 3 million dairy farmers of almost $1½ billion. This is an average cut in income, gross and net, because high and rigid production costs have not fallen, of approximately $500 per family. When one recalls that the pre-Benson family income of typical family-type dairy farmers was only about $2,000, this $500 cut in income amounts to one-fourth drop over the last 2 years.

These figures measure the magnitude of the milk income difference between the mandatory minimum level of support recommended by National Farmers Union and the bottom of the sliding scale put into effect on April Fool's Day of 1954 by the Eisenhower Administration. I assure the committee earnestly that to dairy farmers it was a cruel joke, if a joke at all. In fact, the decision appeared to us to better fit a dunce than a joker.

Actual cash receipts by farmers from sales of milk and cream in 1954 totaled $4,131 million, down 6 percent from $4,416 million in 1953 and down by more than 10 percent from $4,590 million in 1952 although the 1954 volume was considerably larger. If present support levels are not raised, cash receipts from sale of milk will drop still further in 1955. These figures are according to official United States Department of Agriculture reports.

Other reports of the department show that the family income of a larger-than-average, typical commercial family-operated dairy farm in Western Wisconsin dropped by over $600 per farm from 1952 to 1953, as the price received for milk dropped from 100 percent of parity in 1952 to a 1953 average of 86 percent of parity. A further drop in 1954 to an average of 80 percent of parity prices probably meant another $300 drop and the reduction to 75 percent of parity in 1955 would cut still another $300 off dairy farm family income.

This would be a total drop from $2,681 in 1952 to $1,681 in 1955, or 40 percent. In such circumstances, dairy farmers cannot maintain their families and replace worn out capital equipment. What they'll be forced to do is go out of business or go further into debt. And the end of the latter road is the bankruptcy sale if current depressed conditions continue. The Wall Street Journal, which has had a reporter studying the situation, reports that some are selling their cows and others are trying to increase their milking herds.

Simple justice to the 3 million farm families who produce the Nation's milk requires that the prospect of this distressing trend be reversed. But more than the financial solvency of and justice to 3 million dairy farm families is involved.

Also involved are the more general questions of (1) whether the family-type farm is to be preserved as the basic pattern of our agriculture; (2) whether American farmers are going to be permitted to participate fully and make their fair purchasing power contribution to an expanding full-employment economy; and (3) whether we want to take the chance, in view of uncertain world conditions and our growing population numbers, that we shall destroy the productive base of the Nation's future food supply.

I do not want to go into detail on these matters inasmuch as we covered them generally before the full House Committee on Agriculture earlier this year in connection with our appearance on H. R. 12.

As members of the committee will recall, we invited your attention to the disastrous effect upon food production in the Soviet Union of the policy they have followed in abolishing the family-farm pattern of agriculture. We said then and say again, that it is unwise for any national government to destroy family farms by pushing down prices and income. We are unalterably opposed to the entire Communist philosophy and we point to their destruction of family farms as a particular feature of the Soviet Union farm program that is directly contrary to the National Farmers Union program. We bring the Soviet Union into this discussion not because we think your committee can do anything to reestablish family farms where they have been destroyed behind the Iron Curtain; rather we bring it up here because we know that you do not want to be parties to the destruction of family farms in the United States.

Yet we are gravely concerned that the Eisenhower administration appears to be devoted to a philosophy of the survival of the biggest, of the factory-in-the-field, of the industrialized-type of agricultural production or corporate-collective, if you please. Both their actions and statements lead us to fear that the sliding scale philosophy they have accepted intact and unchanged from a contemporary farm organization is designed to slide all the Federal farm action programs out of existence and the American farm family into the economic subbasement.

Present and past rulers of the Soviet Union, according to the New York Times article we placed in the record of the full committee hearing on H. R. 12, abolished family farms and set up small collectives. They combined the small collectives into large collectives. Still using the excuse of need to increase efficiency and utilize fully the few good managers, they, then, combined the large collectives into supercollectives.

In the process, the same territory where family farms under the previous government of Russia had produced an exportable surplus of food, began to see agricultural deterioration under the Soviet Union totalitarian policies. First they saw their livestock enterprises begin to disappear. More recently, in 1952, total food production in the Soviet was less than in 1950, and in 1954 was less than in 1952. This is causing them trouble, we read, in the face of a growing population.

We are gravely concerned, Mr. Chairman, when we hear Eisenhower spokesmen such as Secretary Benson, Under Secretary Morse, and Assistant Secretary Butz, talk favorably

about an adapt or die; adjust or perish economic law they say they believe in. We do not agree with them that efficiency requires combining family farms into corporate collectives.

Instead of this sliding-scale philosophy of the Eisenhower administration, Mr. Chairman, we shall present here, as we have before other committees, a program that we are convinced will preserve and improve the family farm as a bulwark of democracy and free private competitive enterprise against the importation of foreign ideology and totalitarian systems of government from the Soviet Union or anywhere else.

We strongly recommend that eligibility for milk price-support protection be limited for any one farm family to the total production of a family farm. The essence of the family farm is that all major economic functions and decisions are performed by the farm family. A family farm is one on which the family not only contributes the ownership or secure tenant tenure and management, and makes financing arrangements, but also provides the bulk of the manual labor in operating the farm. Under present conditions this would indicate that the upper limit of price-support eligibility per farm family should be set in the neighborhood of $25,000 to $30,000, at parity prices.

I have devoted my statement to indicating why we recommend that returns to family farmers for milk should be supported at 100 percent of parity as candidate Eisenhower seemed to promise in his first farm speech at Kasson, Minn.

Other elements of our total recommendations will be presented by our other witnesses. These elements include: Measures to insure an expanding full employment economy; Federal financing of free fluid milk for schoolchildren; enactment of a nationwide food stamp plan to enable low income consumers to buy enough milk and its products and other foods to have adequate nutrition; expanded exports; improved Federal milk orders; a nutritional education program; and a 100 percent of parity price support program for milk carried out by means of production payments, with eligibility limited to family farm production and buttressed with standby marketing quota authority.

Only a nationwide system of firm supports on returns from milk and butterfat promises to be of lasting benefit to all dairy farmers. Slick-sounding panaceas will not solve the economic problems of milk. There has been some unfortunate demagoguery to the effect that abolition of Federal milk orders or elimination of city sanitary ordinances would increase dairy farmers' income in Minnesota or Arkansas or South Dakota. Such claims simply are not true, as competent testimony before your committee has demonstrated. Abolition of Federal orders would not help any dairy farmer I know of and it would be grossly unfair to the many milk producers who have adopted these programs in about 70 areas around the Nation.

May I also say categorically that neither National Farmers Union nor any of its responsible officials favor or condone the use of milk strikes or similar violent direct action as a device for trying to solve the economic problems of milk.

URGE PRODUCTION PAYMENTS AS METHOD OF SUPPORT

For the record, I am E. F. Bottomley, vice president of Virginia Farmers Union. Although Virginia is not particularly noted as a dairy State, a large share of the farm income of our State comes from the sale of milk. I wish to associate myself with the recommendations made by Mr. Patten and those that will be made by Farmers Union witnesses that follow me on the stand. I should like to remind the committee, in connection with Patton's statement, that it was a great man and a gentleman from my State of Virginia who did so much to firmly establish the concept of the family farm as a traditional policy of our Federal Government. I am speaking of Thomas Jefferson, the Virginia farmer who did so much to establish democracy in America and make it live.

National Farmers Union recommends that support of returns on the family farm production of milk be provided by Federal statute by means of production payments.

The concept of compensatory payments is not new to dairy farmers—they participated in the relatively successful dairy payment program during World War II that was designed to maintain production and to hold down the retail price of milk to consumers.

As members of this committee know, the production payment principle has been successfully used in administration of the sugar program for more than 20 years. Last year the Congress enacted a law directing its use at up to 110 percent of parity returns for wool, and the wool program is now in operation. We are convinced that a similar program is well adapted to milk and should be instituted without delay.

The principle of production payments is that the total production, or a regulated volume of production as in the case of sugar beets and sugar cane, is allowed to flow into the market at whatever prices the market will pay. Handlers, wholesalers, and retail customers would pay the producer the going market price, and the milk or milk product would flow through the normal channels of trade in full volume to the ultimate consumer—with prices determined in whatever way they are now by middlemen and other forces.

If the resulting price of milk paid to farmers should be less than 100 percent of parity or other adequate support level, the difference would be made up in the form of a direct payment from the Department of Agriculture to the producer, or to his cooperative, if he chooses. The amount of the payment would be calculated seasonally and by regions. It would be that percentage of the individual's sales total that is equivalent to the percentage the parity equivalent or established support price was above the average butterfat or milk prices received by farmers in the region during the period. If the support price for the region and period were $3.99 and prices received were $3.80 per hundredweight for milk, this percentage would be 5 percent. Each producer would be eligible to receive a production payment of 5 percent of his gross sales up to the family farm volume.

The nature and advantages of this method of supporting returns to milk producers are fully discussed on pages 48 through 56 of House Document No. 57, prepared by the United States Department of Agriculture. I shall not burden your record with a repetition of the material in that document.

However, I do want to invite your attention to several aspects of the production payment method of supporting farm returns from milk. The production payment will take the Government out of the business of buying, storing, and distributing butter, cheese, and dry milk for which a ready use through exports, school lunch, or other direct distribution is not in sight at the time of the Government purchase. Authority for the dairy product purchase program should be continued for use to prevent wide seasonal fluctuation in supplies and prices of milk. But use of production payments as the basic method of support would keep such purchases at a minimum.

The production-payment method of support, unlike the purchase-and-store method, does not act to provide a special incentive for unusual and abnormal imports of dairy products from other nations. If production payments are used instead of market diversion, we would not need to put so much dependence upon raised tariffs and import fees and restrictive import quotas to protect the domestic price-support program. This is true because the production-payment method allows United States market prices to drop to market-clearing levels which will not act as a suction pump for abnormal imports as a Government-purchase program does.

Fully as important, production payments allow the entire market supply to flow to ultimate consumers at lower prices than the Government-purchase method, and thus would result in greater consumption, lower retail prices, and better health from more nearly adequate diets, rather than allowing dairy products to pile up in Federal storage and requiring the Nation to go through the national embarrassment and agony of selling Government-owned human food for animal feed, as President Eisenhower's administration has done.

Moreover, I want to point to the manner in which the use of production payments will aid in adjusting milk production to genuine consumer demands. Let us assume that Congress had enacted a law giving dairy farmers the right to make use of marketing quotas, as I am convinced should be done. Let us further assume that dairy farmers by more than a two-thirds favorable vote had approved quotas in a referendum, as I am confident they would. In that case a milk producer would be eligible for payments on his sales only up to the amount of his marketing quota. If he made sales in greater volume than his marketing quota, he not only would not receive payments on above-quota sales and have a pay an excess-marketing penalty; he would also be rendered ineligible for payments on his within-quota sales. In that case production and sales above established quotas would be rare. We in Virginia are very familiar with the operation of marketing quotas on tobacco and peanuts and we treasure the programs dearly, as we have shown by our votes in repeated referendums.

The dairy price-support program should be accompanied by a positive and aggressive program to expand domestic and foreign consumption of American milk and its products. We should expand Federal financing for greater use of fresh milk and dairy products in our schools. Low-income consumers should be enabled by some type of Federal program to buy the milk and its products they need for better nutrition standards. The retail prices of fluid milk should be lowered in ways that will not reduce the so-called blended price received by farmers.

MARKETING QUOTAS

For the record, I am Kenneth Hones, president of Wisconsin Farmers Union, and a member of National Farmers Union board of directors. My home State of Wisconsin has earned for itself the name of America's Dairyland. On the type-of-farming maps put out by the Department of Agriculture, our entire State is shown as being in the dairy area. We are rather proud of the record we have made in the production of sanitary, wholesome milk. Practically all of the farmers in Wisconsin produce milk for sale and most of them derive almost all of their income from this source. Dairy farmers in my State have been grievously hurt by the application of the Eisenhower sliding-scale philosophy to milk prices.

I wish to associate myself with the recommendations that have been made by previous Farmers Union witnesses and with those who will follow me. We have a well-thought-out program that we are presenting to you today and I completely endorse all of it.

My particular assignment as one of several Farmers Union witnesses today is to outline what we think would be a workable and acceptable method of making milk eligible

to be classified by Federal law, as well as in fact, as a basic commodity. I cannot blame the producers of other basic farm commodities, nor their representatives in the Congress, for wanting to withhold the legal privileges of being basic from other commodities if the producers of those commodities are not willing to assume the same responsibilities to keep produced supplies in line with genuine consumer demand, and if we cannot recommend a workable and acceptable method of doing so.

I agree fully with the statement Mr. Vance has made and wish to expand on his comments with particular regard to our recommendation that dairy farmers be given the authority by law to utilize the device of marketing quotas to help protect our incomes.

There is no overproduction of milk in relation to consumer needs, as other Farmers Union witnesses will point out this morning. A great deal more fluid milk and milk products could well be consumed in the United States, in the interest of better health, and overseas, in the interest of programs of education and more rapid economic growth. I am convinced that it would be good public policy for Congress to enact laws providing Federal funds to expand programs for domestic and foreign milk consumption. The Congress and all of us should go as far in that direction as we possibly can. If we did as much as I think we should, and as much as National Farmers Union has urged, we would not be talking about a 7 percent surplus of milk in this country—we would be worrying about a shortage of milk.

As a Nation, we also ought to be doing a great deal more than we have been doing the last 2 years to lower interest rates instead of raising them, increasing personal tax exemptions, raising minimum wages in industry, and in all other ways contributing to a growing full employment economy that is not disgraced, as we now are, by growing numbers of chronic unemployment, many of whom the Government has even dropped from its statistical reports. If we did the things that are necessary to have an expanding full employment economy, including an adequate farm price support program of the type we in Farmers Union have recommended, we would have very little so-called surplus milk production to be worrying about. The 1954 recession, brought on by faulty policies of the executive branch, did more, in my opinion, than the increased production of milk to put dairy farmers on the sliding scale toward the economic sub-basement and ultimate bankruptcy when their capital and credit resources are exhausted.

My point is that we would not need to make use of the milk marketing quota device at all if we could convince the Government that it should undertake the consumption-expanding programs we shall recommend.

However, to the extent that we as citizens and dairy farmers canont convince the Government that it should engage in these activities to expand the consumption of milk and its products to the necessary degree, then I do not believe that we should ask dairy farmers to go bankrupt or to waste their time, energy, and resources in the production of milk that cannot be sold for fair prices, or that will not be used except for animal feed. Therefore, I submit to you, that milk-producing farmers should be extended the legal authority to make use of the marketing quota device, as a means, in combination with production payments, to help keep milk production and sales in balance with what we hope would be augmented consumer demand under conditions of full employment.

Two questions have been repeatedly raised in these hearings with respect to giving milk the legal, as well as the factual, dignity of being known as a basic commodity with the right to utilize the marketing quota device. Can a workable system of milk marketing quotas be developed? And do dairy farmers want this authority? I shall answer both questions in the course of my statement.

We have been impressed by the testimony before your committe of Professor Johnson of Connecticut, in his observations concerning milk marketing quotas. You will remember that he said a workable marketing quota system for milk could be devised, that he favored making the quotas transferable from farmer to farmer, and that he favored putting the quota on a poundage basis rather than a cow basis. We agree with all those recommendations. The quota, in my view, should be the property of the farm family, not an inalienable part of the farm real estate.

Over the weeks since my appearance before the full House Committee on Agriculture earlier this year, I have been giving this matter of milk-marketing quotas a great deal of careful thought. I have discussed it with a very large number of milk-producing Farmers Union members in Wisconsin and those from other States I have met at various meetings.

The milk marketing quota law which I recommend be adopted should not authorize the reduction of milk sales below the amount that consumers would buy at parity prices in a year of full employment. To establish this, the law should provide that the national milk marketing quota would be established by the Secretary of Agriculture at an amount sufficient to give a supply of milk that would result in a per person national supply, exclusive of normal exports, equal to the per person consumption of milk and its products in the last 3 or 5 years of full employment. Some definition of full employment would have to be incorporated in the bill, such as not more than 3.5 percent of the civilian labor force out of a job or something of that nature.

If the 3.5 percent figure were used, this would establish 1953, 1952, 1951, 1948, and 1945 as the base years for establishing the national milk quota for a 5-year base, or 1951, 1952, and 1953, if a 3-year base is used. During the base period years of 1951, 1952, and 1953, the per person consumption of milk and its products averaged 696 pounds of milk equivalent. The national milk marketing quota for 1955 should be established to provide for at least this per person supply. The total volume of commercial milk sales by farmers for the same years, after subtracting the milk equivalent of Government purchases of milk products, averaged 96 billion pounds per year. The average United States population in the base years was 157 million people. The 1955 population of 165 million is 5 percent greater than in the base period. This would mean a 1955 milk marketing quota of approximately 101 billion pounds of milk or only 6 billion pounds less than was actually marketed in 1954. Thus the milk marketing quota that we recommend would require a cut in sales by the average farmer in 1955 of about 5.6 percent of his actual sales in 1954. Details of the calculation are shown in the following table:

Year	Per person consumption of milk (pounds)	Percent of civilian labor force unemployed	United States population (millions)	Milk sales by farmers (millions of pounds)	Milk equivalent of Government purchase of products (millions of pounds)	Net sales of milk through commercial channels (millions of pounds)
1951	707	3.0	154	96,691	13	96,678
1952	694	2.7	157	97,788	348	97,440
1953	688	2.5	160	104,292	9,981	94,317
Total	2,089		471			288,429
Average	696		157			96,143
1954:						
Number			162	107,086	9,050	98,036
Percent			102.5			
Marketing quota for 1954						[1] 98
						Marketing of quota (billions of pounds)
1955:						
Number			165			101
Percent			105			105
1956:						
Number			168			104
Percent			107.5			107.5

[1] Billions of pounds.

If the producers stayed within their sales or marketing quota but did not cut production, this 6-billion-pound cut in sales would be added to the over 16 billion pounds of milk used on the farms where produced, or a little more than a 37-percent increase in milk used on the farm. Much of this could be used without waste, and probably many milk-producing farm families would like to use more milk and products in the home if they could afford to do so.

Based upon the above example, the Secretary would establish 101 billion pounds of milk as the national milk marketing quota for 1955; each future year the quota would change as the base period shifts and the population of the Nation grows. In 1956, for example, the national milk-marketing quota would be 103 billion pounds. Incidentally 1951 would remain in the 3-year base period until such time as another full year comes along in which the number of unemployed has been less than 3.5 percent of the civilian labor force. If in some future year national policies should encourage and bring about a condition of full employment (rate of unemployment in March 1955 was 5 percent), then that new year would be picked up and 1951 would be dropped.

It is significant to note that expected 1955 milk sales are only 3 percent greater than the full employment level national milk marketing quotas we are recommending for 1956 and only 9 percent greater than the quota would have been in 1954.

The Secretary would then distribute the national milk quota among States, and within States to counties, and within counties to individual producers, on the basis of relative total sales of milk in the immediately preceding 3 or 5 years. The individual producer would then have a figure stating on a seasonal basis how much milk he could sell and still be eligible for price-support payments and not subject himself to the requirement of paying an excess marketing penalty.

Let us assume that a producer sold 200,000 pounds of milk in the base period and that

a 4-percent cut for 1956 is required by the quota. This producer would be eligible to sell 192,000 pounds of milk and receive production payments on them. If the average market price for milk were 10 percent below parity or support level that year, and his sales slips showed he received an average of $4 per hundredweight, he would receive a gross income of $8,525, $7,680 from the market, and $845 in production payments. If, however, he decided to market the entire 200,000 pounds, he would not receive the $845 of payments and in addition would be required to pay a 75 percent of support level penalty ($3.33 per hundredweight) on the excess sales of 8,000 pounds. His gross would be $8,000 minus $266, or $7,734, compared to a gross income of $8,525 if he stayed within quota. See following table for calculation:

Alternatives of milk producer with 200,000-pound-base production and 192,000-pound-marketing quota

Alternative	Market price of milk per hundredweight	Rate of production payments or penalty	Gross income			
			Farm sales	Payment	Penalty	Net
Stays within quota	$4	11 percent	$7,680	$845	0	$8,525
Sells entire base production	4	$3.33	8,000	0	$266	7,734

The law establishing milk marketing quota authority should provide that quotas would not be in effect until after the affirmative vote of two-thirds of the producers voting in a referendum. This is the same provision as for the other basic commodities and has worked relatively well. Moreover, the law should exempt from quotas and from the referendum any producer who is producing solely for class I sales under a Federal or State milk order, and any producer with fewer than 5 cows, or less than 30,000 pounds of sales. It should, also, be noted that no farmer is forbidden to sell milk over quota. He has every right to do so and can do so if he wishes to sell at the average market prices minus penalty or excess sales.

Individual milk marketing quotas should be assigned to families, not land and should be transferable either in whole or in part. This would provide a considerable amount of flexibility for shifts of production among producers, and between farms, counties, and States. Since producers would be able to qualify for production payments only upon the basis of certified sales slips, the process of enforcement would be capable of administration.

As to the acceptance of milk marketing quotas by farmers, it is my mature conviction, after discussion of the above recommendations with a large number of farmers, that milk producers in Wisconsin would vote "yes" in a referendum on quotas on the basis of a program such as we are recommending.

Except in rare years, the recommended program would require no production payments at all if national policies maintain an expanding full employment economy and adopt the school milk and food stamp programs. Thus the program we are recommending would be virtually costless, except in years of less than full employment and artificially low consumer purchasing power.

EXPANDING FULL EMPLOYMENT AND FREE MILK FOR SCHOOLS

For the record, I am J. Albert Hopkins, president of Arkansas Farmers Union, and a member of National Farmers Union board of directors and of its executive committee.

I fully endorse all of the recommendations that have been made here today to your committee by the Farmers Union witnesses who accompany me. Arkansas is not usually listed as being in the dairy area, but many of the farmers in our State obtain all or a large share of their family income from the sale of milk and cream.

My particular part on the agenda in our National Farmers Union presentation is to point up the importance to expanded milk consumption of an expanding full employment economy and the great significance of the milk-for-schools program.

Our study of the statistical record over the past 40 years indicates that farm prices and incomes have a tendency to drop any time that the national economy fails to grow by as much as 8 or 10 percent over the previous year. I don't pretend to know all of the reasons why that is so. But the record shows, as during the 1920's, even though the economy as a whole expands a little, farmers continue to go downhill unless the total national expansion is considerably larger than 5 percent a year. Coal mines and miners, the textile industry, and those who get laid off of jobs by contracted production in big industries with administered prices such as automobiles, steel, farm machinery, and petroleum, share the same fate and have had the same experiences.

So farmers have a strong stake in national policies that will develop and maintain an expanding full employment economy. Farmers, as a whole, more than any other large group in our population, depend for their economic well-being upon whether the Nation attempts to reduce its rate of unemployment or allows it to increase. Farmers, as a whole, more than any other large group, have a personal economic interest in raising minimum wages in industry to adequate levels, in more nearly adequate unemployment compensation, in the economic multiplier effects, if you please, of Federal appropriations for school, hospital, and road construction.

As the figure Ken Hones used indicate, we would not have very much trouble selling all the milk we can produce at parity prices if the level of unemployment is held below 3 percent of the civilian labor force.

Careful estimates by the United States Department of Agriculture in 1947 indicated that the national need for milk and its products, of a total population 20 million less than now, was in the neighborhood of 150 billion pounds of milk. This compares with the 124.5 billion pounds produced in 1954. Based on the same average per person consumption estimate as in the 1947 study, our present national population would require the production of approximately 170 billion pounds of milk.

Even if a 15 percent downward adjustment is made in this figure to make up for increased use of milk fat substitutes, this would still leave a national need for a production of 145 billion pounds of milk in 1955 compared to the 124.5 billion pounds the Department of Agriculture expects to be produced.

The 1947 per person consumption estimates were based upon the actual per person average consumption of milk and its products in 1942 by families with incomes of $2,000 per year and upward. Such a consumption figure would not reach the optimum scientific nutrition level, but is based upon records of actual purchases by middle and high income families.

These figures indicate there is a great unmet need and desire for milk and its products. This potential demand could be released if the Nation takes the actions required to maintain an expanding full employment economy and to augment the food-purchasing power of low income consumers. To do this job we strongly recommend a nationwide trial run of the food stamp plan on milk and its products.

Now I should like to turn to another recommendation we want to make. That is this: We recommend that legislation be enacted that will authorize appropriation of Federal funds to finance the distribution of at least 2 half-pints per day of free fresh fluid milk to every school child in America attending a nonprofit school and to provide funds for administration of the program. We remind you, in this regard, of the expert testimony before your committee by Professor Johnson, of Connecticut.

The value of milk to the future health and stamina of growing children is so well known that I need not elaborate it here. So far, we as a Nation have arranged to put a free marginal additional supply of milk in about one-fourth of the schools in the Nation. We urge expansion to all the nonprofit schools and change in the scope of the program so that all milk needed by the children will be supplied by Federal funds rather than just a marginal additional part of it.

In our opinion there are some roadblocks in the administration of the fluild-milk-for-schools program that need clearing up. And we should increase the size of the appropriation. We understand that the administration does not plan to spend this year's $50 million appropriation for this purpose. This record is painfully remindful of similar stubbornness on the part of the administration with respect to rural electric loan funds, farmers home funds, agricultural conservation funds, and watershed protection money.

It just looks to us as if somebody down in the Department of Agriculture or in the White House or the Budget Bureau just plain does not want to spend money that has been appropriated to operate programs that help farmers, children, and common people. The only way you can get activity is to have a program to help the financiers. The Eisenhower administration seems to be greatly interested in squeezing a dollar until the eagle screams and if they do turn loose of a dollar or two they want to be sure that some rich folks get it.

Various corrections should be made in the administrative methods of the school milk program. Schools with a long and successful school milk program are penalized under present procedures. We approve the suggestions made to your committee by Professor Johnson: (1) Make some funds available to pay costs of administration in the school district, (2) eliminate the historical base quota requirement that penalizes schools that have done a good job in the past and, (3) do whatever it takes to expand the program into the 3 out of 4 schools that are now unable to participate in the program.

Direct milk-distribution programs to Armed Services, veterans' facilities, and eleemosynary institutions should be continued and expanded funds should be made available for a nutritional education program.

Fluid-milk consumption could also be further expanded if the retail prices charged for fluid milk could be reduced. We are deeply concerned that although the price of milk generally paid to farmers has been cut around 17 percent, the retail prices per quart of fluid milk to consumers has dropped only four-tenths of a cent. We are told that retail prices of fluid milk in Detroit have actually been raised while prices farmers receive have been dropping. We have not completed our studies of this but we believe solutions will be found in two approaches.

1. We urge a full-scale congressional investigation of the spread between prices received by farmers and those paid by consumers, and

2. We think that after a stable, acceptable, permanent nationwide milk price support program is in operation, the producers in Federal milk order areas will be willing to revise class I pricing formulas so that handlers can be forced to reduce retail prices of fluid milk without lowering the blended average price paid to producers.

NEEDED: A WORKABLE NATIONAL PROGRAM

My name is Edwin Christianson. I am president of the Minnesota Farmers Union.

Minnesota produces about 7 percent of the Nation's milk and is the leading butter producing State. The production of creamery butter in 1954 was 270 million pounds.

About 125,000 of the State's 155,000 commercial farmers are engaged in dairying. We depend upon dairying for about 20 percent of the State's total cash farm income.

In my testimony, I wish to make some observations on the dairy price and income situation in my State and the Nation.

For comparative purposes, I want to go back to 1952. That was the last year in which we had a 90-percent dairy-support program which was administered efficiently and effectively in line with the spirit and intent of the support law.

Farm income from dairying in the United States in 1952 was $5.3 billion. In 1954 it was $4.7 billion, a drop of 11 percent in the 2 years.

In Minnesota, cash income from dairy products in 1954 was $232 million; down 10 percent from the figure of $260 million in 1952.

The average price of all milk wholesale in Minnesota in March 1955 was $3 per hundred, a drop of 88 cents or 23 percent since 1952.

Butterfat in Minnesota in March 1955 was 62 cents, down 19 cents per pound from 1952, a slump of 20 percent.

The average price paid to farmers for milk for manufacturing into butter and other creamery products was $2.93 in Minnesota in February 1955, a drop of 75 cents a hundred or 20 percent since 1952.

On the national level the February 1955 price was $3.14 per hundred, a drop of 99 cents or 24 percent.

The price of 93-score butter in March 1955 was 57.35 cents per pound; down 15 cents or 20 percent from the 1953 average.

The price paid for milk by 18 Midwest condenseries was $3.01 in March 1955, down 77 cents a hundred, or 20 percent, from 1952.

Reflecting these prices, the value of milk cows in Minnesota in March 1955 was $160 per head, a drop of $111, or 41 percent, since 1952.

The prices for milk under the Minneapolis-St. Paul milk-marketing order have dropped about 15 percent in the past 2 years. This indicates that prices in the market-order areas are effected by general conditions in the dairy industry.

At one time during 1954, the month of June, the price of milk for manufacturing purposes in Minnesota reached $2.89 per hundredweight. This was 60 percent of the parity price for all milk wholesale, and the lowest point reached in terms of parity since 1934.

I need hardly emphasize that this situation is serious from the standpoint of the dairy producer.

Since the operating costs have remained almost unchanged, it is obvious that the drop in dairy prices must come almost entirely out of the dairyman's net income.

At 75 percent of parity, the total national gross value of the 1955 dairy production figures out to about $4.4 billion.

If the prices received by farmers were at 100 percent of parity, this would be $4.75 per hundred for milk and 75 cents per pound for butterfat. Such prices would mean a national gross value of the expected 1955 production of $5.9 billion. This would be a difference of $1.5 billion in income for the Nation's dairy farmers.

It is worthwhile to examine how we have come down from parity prices in 1952 to 75 percent of parity at the present time.

We did not have any serious surplus problem on January 1, 1953. Farmers had produced about 115 billion pounds of milk in 1952 and it had cleared the markets at about 100 percent of parity on the average.

Government holdings at the end of 1952 totaled only 2.7 million pounds.

Although there was only 94 million pounds of butter in the price support inventory in March 1953, Secretary Benson began talking about the large surpluses and for a time threatened to reduce the supports from 90 percent of parity.

Finally, he was prevailed upon to retain the 90 percent supports for another year beginning April 1, 1953. He warned, however, that the dairy industry must get its house in order.

Whether intentionally or not, this talk and action caused uncertainty and tended to depress the markets. The talk of surpluses and the hint of a support cut to come in 1954 certainly had a weakening effect upon the market. It could not help weakening both the current and the future market.

The Secretary's actions also tended, whether intentionally or not, to build up surpluses and to hoard them.

Although there was ample precedent and authority and available funds, there was little attempt made to move the dairy stocks into use. Donations of butter for welfare or relief totaled only $28 million pounds in 1953 according to testimony given by the Department before the Agricultural Appropriations Subcommittee of the House Appropriations Committee.

Dairy products owned by CCC were not priced competitively to move them into the world markets.

You will recall that a continual war of nerves was carried on in the newspapers regarding the surpluses and plans for their disposal. There were recurring plans for bargain sales, 2-for-1 sales, etc. When Secretary Benson cut the support from 90 to 75 percent of parity, the housewife had heard so much about the bargain butter which was to come that she did not rush to buy, even when the price dropped a few cents.

By the end of March 1954, the Secretary had built the butter surplus to 330 million pounds and had used this situation to discredit the 90 percent support program.

Having done this and having been successful in beating down efforts in Congress to restore a higher level for dairy supports, the Secretary in late summer began a new strategy. Now, the aim was to make the 75 percent supports look good.

Where he had only given away 28 million pounds of butter in 1953, the policy changed and he gave away 207 million pounds in 1954.

Apparently he tried to avoid a further buildup of surpluses and showed considerable more energy in moving dairy products into consumption.

It is very obvious that if the Secretary had used the same energy in avoiding surpluses and in disposing of dairy stocks under the 90 percent support program as he has under the 75 percent program, we would have had no serious dairy problem at all.

A good deal of straining at statistics has been done to attempt to show that 75 percent supports on dairy products are working out.

Yet, it is a matter of record that national milk production in 1954 set an alltime record. Butter production was at a 10-year high, cheese production set an alltime record. In Minnesota, butter production was the highest since 1943 and cheese set an alltime record.

Claims are made that butter consumption increased in 1954 by 4½ percent per capita. This figure would sound more impressive if it was not known that the gain in consumption was achieved by giving away 12 percent of the butter production.

The Government gave away 10 times as much cheese and 3 times as much dry milk in 1954 as in 1953.

There is little doubt in my opinion that the 90 percent support program could have worked very effectively had there been a will to make it do so.

The 75 percent support program has accomplished nothing in itself. Whatever gains have been made are explained entirely by the giveaway program. I do not say there was anything wrong with giving away the butter. I merely say that if it was proper to do so under the 75 percent of parity program, it should have been done under a 90 percent support program.

While it is true a 90-percent program could be restored and run effectively under proper administration, there are several reasons why a production-payment type of program would be more practical.

It should be remembered that even under a 90-percent purchase type of program, the returns to farmers have fallen as low as 82 to 84 percent of parity.

In contrast, a production-payment type of support would assure that the producer would get the full benefit of the intended level of support.

In addition it would make any large-scale purchase and storage by the Government unnecessary.

A frequent criticism which we heard about the 90-percent support program was that it priced the dairy products out of the market, encouraged use of substitutes, and reduced the per capita consumption.

There is little evidence to substantiate this criticism. There is evidence that per capita food consumption has always been high at a time when farmers enjoyed 100 percent of parity prices. This is undoubtedly because farm prosperity reflects itself quickly in added purchasing power in the cities and towns.

We believe that use of production payments, by allowing the food to find its own level in the open market, would avoid the criticism that the products are being priced out of the market.

Whether any great increase in consumption would result without any improvement in the national economy is questionable.

Under a full-employment economy, however, there is no question that an increase in per capita consumption of dairy products would result.

We need go back only to 1947 to see the level at which dairy products were consumed when our people had the purchasing power. If we had consumption at such a rate, we would need perhaps 150 billion pounds of milk to meet the market demands.

I am sure your committee is familiar with the study of dairy-support methods made by the Secretary of Agriculture and reported to the Congress.

The Secretary makes a comparison of the various support methods and estimates the returns to farmers and the costs of the programs.

The Secretary makes two faulty assumptions in preparing his estimates. He assumes that the market price under a production payment system would go lower than the market price in the event of no support program at all. He also assumes that the return to the farmer from a 90-percent purchase program would be the same as the return from a 90-percent production-payment system. Neither of these assumptions appear correct and of course his estimate of the benefit to the farmer and the cost to the consumer is thrown off.

It is quite evident that the operation of a 90-percent support system through production payments would yield the farmer about

$1.2 billion more income than the present 75-percent purchase program.

The Secretary's estimates of the cost of the production-payment system are exaggerated by his assumption that the market price would fall below the free-market level.

He does not attribute any beneficial economic effect to the production-payment type of support.

In actual practice, the production-payment system would be much less costly than the purchase type of program in any years in which we had a strong national economy.

Relatively small purchases, if any, would be needed if we had a full-employment economy.

Another point which the Secretary does not recognize is that the $1.2 billion in additional income which the 90-percent production payments would bring to farmers, would reflect itself in a gain of perhaps $8.5 billion in gross national product.

This in itself would represent a gain of about 2 percent in the gross national product and be an important force in encouraging an expanding economy.

It has been tragic that there has been no real move in the dairy industry as a whole towards a unified support of some plan on behalf of the producer.

Some groups are still apparently unconcerned about the plight of the producers. Some are still chasing will-o'-wisp programs such as the self-help plan. It would probably be better if the self-help plan were named the self-defeating plan because in practice it would never assure parity prices. It would only assure that if prices were below parity, the farmer would take the loss.

There has been a general lack of concern in milk marketing order areas about the support program on dairy products. Lately, however, there seems to be the first signs of a recognition that the milk marketing orders alone will not protect producer prices. It is just becoming apparent to some in the order areas that the drop of dairy supports to 75 percent of parity has become a drag on the prices in the Federal order markets.

It seems to me that producers in the Federal order markets will be in increasingly severe price difficulty as long as the 75 percent of parity supports are kept in effect.

There is a genuine doubt in my mind that the Federal-order program can be maintained for an indefinite length of time if the price of the manufactured dairy products is allowed to stay completely out of relation with the fluid milk.

By lowering the dairy supports to 75 percent of parity, the differential between fluid milk and manufacturing milk has gotten out of relation by as much as $1 or more per hundredweight more than the normal spread.

There is no question in my mind that the milk market orders are in for the same fate from the Secretary as the supports on dairy products. Time is running out for them. They are headed for the scrap-heap the same as the rest of the farm program. They have been spared up to now because Secretary Benson needed the support or the neutrality of the eastern vote to put across the flexible-support program.

But some of the statements which he has been making and some of the magazine and newspaper articles which have begun to appear have the same pattern as the opening of the attack on the 90-percent supports.

It is high time that dairy producers began to join together on a program including those within the Federal order markets because they cannot survive if the dairy supports are kept at 75 percent of parity or cut out altogether.

I think it was very significant early last month that the Secretary in a news conference was quoted in the daily newspapers as having said that he would like to see a "little greater flexibility" in the dairy-support program.

According to his line of thinking, we could assume that 5 percent is a little flexibility for he has always defined 5 percent as a gradual adjustment. So we can guess that the Secretary would like to have authority to drop dairy supports to 70 percent whenever he thought advisable.

I was very interested in this statement because I had been reading his report to Congress on support methods and his claim in that report was that dairy prices would level off at about 70 percent of parity if there were no support program at all.

In other words, what the Secretary would like is to have the support program at a level where it would not have to do any supporting. That is very much in line with the whole theory of flexible supports which always takes away the support when it is most needed.

There is a good deal of confusion about the milk marketing orders and whether they are unfair to producers outside the Federal order markets.

No one is seriously suggesting that milk marketing orders should be thrown out altogether.

But to put one class of dairy producers on a minimum price-fixing program for a part of their milk while leaving all others practically at the mercy of the free market, cannot work out to the benefit of anyone in the long run.

The purpose of the milk marketing orders according to the law is to provide an adequate supply of milk. Of course, to provide an ample supply for the consumers there must be a 15- to 20-percent reserve so that the housewife can get the extra quart of milk at any time she needs it.

But, while the outside producer has been left with 75-percent supports, the producer in the Federal-order markets has been given prices which not only brought forth an adequate supply plus 20 percent, but in many cases is bringing out an adequate supply plus 90 to 100 percent.

For example, the percentage of milk used for fluid-milk requirements in 1953 in New York was 49.1 percent, Boston 52.8 percent, Minneapolis-St. Paul 58.5 percent, Chicago 63.2 percent, Cincinnati 63.3 percent.

In New York the production is twice the necessary amount. In Boston it is about 96 percent above the fluid-milk requirements.

The producers in the Federal-order markets are in a favorable position because they not only have the guaranteed price on the class I milk but they enjoy the same support as any other producer on the milk which goes into manufactured dairy products.

In this manner producers in the Federal-order markets are encouraged to go into surplus production.

What is happening is that we are seeing a shift of production into the milk-order areas, despite the higher costs of production in those areas.

Milk production on farms in the West North Central States, which includes Minnesota and containing only a relatively small production which goes into Federal-order markets, has seen a drop of 12 percent in production over the last 11 years.

In contrast, production in the Northeast States in which about 40 percent of the production is under Federal milk-marketing orders, has seen an increase of 14 percent in the same period.

By administering the programs in a way which widens the spread between manufacturing milk and fluid milk, Secretary Benson is allowing the Midwest dairyman to be driven out of production.

It does not seem justifiable in the national interest that production should be shifted into the high-cost areas.

This is not a fault of the legislation. It is a fault of the interpretation of the legislation and of the management of the dairy support program in general.

One of the criticisms of the milk marketing orders is that the class I prices are too high and that they encourage underconsumption of fluid milk and overproduction which is turned into manufactured dairy products such as butter, cheese, and ice cream. Because of the favorable price on the fluid milk, it is explained, the milk order producers can manufacture the butter or other products at a lower price and compete at an advantage over other producers. In this manner, the milkshed producers can still end up with a blended price somewhat higher than the 75 percent of parity of other producers.

I am not convinced that the prices received by farmers for class I milk in the East are too high even where they are well above parity. I have studied the cost figures of Dr. L. C. Cunningham, of Cornell. His figures show that the New York statewide average cost of production in 1953–54 was $4.78 per hundredweight, a few cents more than the parity price. The average price received per 100 pounds of milk was $4.30 per hundredweight or 48 cents per hundredweight below the cost of production.

Even with the protection of milk marketing orders, it is clear that New York farmers have been hurt by the drop of dairy supports to 75 percent of parity.

Considering the cost of production, a class I price in the neighborhood of $6 per hundredweight would not be out of line in some of the eastern markets.

The class I price should be at a level which will induce a sufficient amount of milk and give the farmer a fair return on that production. It is precisely because the dairyman does not have a sufficient return from his class I milk that he must produce in surplus and attempt to increase his total income.

What is true in New York is true also in Minnesota. The class I prices in the Twin City and Duluth areas are completely unrealistic—they are about $3.50 per hundredweight—only about 75 percent of the parity for all milk wholesale.

The class I prices should be at a level which will give the producer a fair return for an adequate supply of fluid milk. That is, they should allow the producer a price which will give him a fair return for the amount of fluid milk needed in the market plus a reserve of about 20 percent.

Beyond that point, of course, the Federal order market producer should control his production in one manner or another.

He is benefiting by a restricted market through the legislative power of the Government. He should not use this privilege to the disadvantage of other dairy producers.

It is, of course, very unfortunate that many farmers in the East, who are very happy with price fixing for themselves through Federal milk-marketing orders, have taken the position that price flexing is O. K. for the other fellow.

Dairy prices are made in Washington for the eastern dairyman, but it seems they feel other farmers should be happy with prices made in the free market place. How they justify these two opposite opinions, I do not know.

It seems to me that it is time that all dairy producers joined together on a program that will give stability to the entire industry.

Such a program is not impossible to devise.

One of the knottiest problems connected with a production-payment and marketing-quota program for butter and manufacturing milk producers has been in connection with their application in milk-order areas. Here is a suggested approach.

The milk-marketing orders are a good starting point, but they need some improvement and can be made more effective. The law should be amended to provide that in no case should the class I milk price be set at

less than 100 percent of a reasonable retail fluid-milk parity.

The law should also provide for some method of controlling supplies when the production in the Federal order market exceeds the retail fluid-milk requirements.

For the remainder of the Nation's dairymen and for excess production of market-order producers the logical step is to enact a program of full parity supports through production payments direct to the producer backed up by a manufacturing milk order or quota system.

Enactment of 100 percent of parity supports on all raw milk for manufacturing purposes through production payments, of course, would be a great stabilizing influence for farm family income in the dairy industry.

I was very interested to read in Secretary Benson's dairy report to Congress the following statement: "Marketing agreements and orders are well adapted to the maintenance of orderly marketing and pricing conditions in the fluid milk industry and they could be used for such purposes in the manufacturing milk industry."

It might very well be possible that the establishment of a milk marketing order for manufacturing milk on a nationwide basis would have some real possibilities. However, it would still seem most reasonable even under such a system to use a production payment system rather than propping the market with a series of minimum milk prices.

I would suggest rather than a national milk marketing order for manufacturing milk, that it would be more promising to consider a system under which given areas would be designated as "commercial fluid milk areas" and "commercial manufacturing milk areas" somewhat in the same manner that we now designate commercial corn and wheat areas.

Under such a plan, it would be possible to classify all producers who sell regularly to a Federal regulated milk order market as being within the "commercial fluid milk area."

All producers outside the Federal order markets would be considered as being within the commercial manufacturing milk area.

In the commercial fluid milk areas class I milk prices would be set after public hearings much as in the present manner, except that in no case could the Secretary of Agriculture establish a fluid milk price lower than 100 percent of a reasonable fluid milk parity. The rate could be higher if conditions warranted a higher price.

This fluid-milk price would be obtainable on the fluild milk requirements in each market. Producers in each market order area could choose either of two alternatives: (1) to limit marketings by marketing quotas, or (2) to accept support on the milk which goes into manufactured products at 75 percent of the support rate in the commercial manufacturing milk areas. This would be in line with the support levels provided in the noncommercial corn or wheat areas. When the producers in a given Federal order market area choose under alternative No. 1 to join with manufacturing milk producers in their production payment and marketing quota program they would agree to limit marketings for manufacturing purposes in the same manner as other producers.

Such a system would tend to assure the market order producer a fair return for the milk he supplies to a restricted fluid-milk market. It would give him an opportunity either to control surplus marketings or to get some support on the surplus production if it goes into manufactured dairy products.

Support in the commercial manufacturing milk areas and on excess marketings in the commercial fluid-milk areas should be on the raw milk so that farmers' returns will be protected and that manufacturers will have some flexibility in putting the milk into whatever manufactured item happens to be most practical at a given time.

Of course, the authority of the Government to buy manufactured dairy products should be continued. Purchases for school lunch, welfare, and other purposes would be very useful at times of seasonal surpluses in reducing the stocks on hand. In this way it would be a valuable supplement to the production payment support program.

From a long-range standpoint, I believe such a plan should be well forth considering.

At such time as a nationwide milk program of this type were in stable operation, it may well be that producers in Federal milk order areas and milk price regulation States may wish to revise class I pricing formulas so as to increase the volume of milk sold in retail fluid form at somewhat lower prices to consumers while maintaining the average blended price received by producers.

For the present moment, the single action which would do the most to solve the cost-price squeeze for the average dairyman and minimize the spread between fluid milk and manufacturing milk prices would be to restore 90 percent supports on milk through production payments to the producer.

I would heartily recommend such action to the Congress. I want to thank the members of the subcommittee for the opportunity to express my views on this problem which so seriously concerns us all.

SOME OPERATING DEFECTS OF EXISTING PROGRAM

For the record, I am Dwyte Wilson, general manager of the Equity Union Creameries, Inc., with general offices at Aberdeen, S. Dak. The Equity Union Creameries is a dairy processing and marketing cooperative with over 10,000 active producer members. It is affiliated with the Farmers Union.

At the outset I would like to say that I concur with and support the position taken by the other Farmers Union members appearing here today.

It is the hope of members of the Equity Union Creameries that we can replace the present price-support program with a compensatory payment program and a food stamp plan such as recommended here today. Our organization feels that such a support program would be a decided improvement over the present program.

There is one facet of the present program that I would like to commend highly. That is the school milk program. While 98 percent of the members of our creameries market farm-separated cream in the form of butter, a small percentage are marketing grade A fluid milk. We have had some experience with the school milk program. We find, like any new program, it is slow to get under way and in many cases it has to be sold. The schools that have not been in the program in prior years find that it costs them a little more than the schools which have had the program previously. It is our feeling that few if any schools which served milk under the program this year will discontinue next year. On the other hand, I feel that many more schools in our area will come into the program next year. It is our feeling that the program ought to be expanded and extended. It will certainly pay big dividends in healthier boys and girls.

While at the outset I stated that we would favor a compensatory payment plan moving dairy products into consumer channels and returning the dairy farmers full parity, there are improvements that could be made in the administration of the present program.

During a big part of the year the price of butter is governed by the support price. However, during many months in some recent years the price has been governed by the CCC resale price of dairy products. This resale price has been set, I believe, at cost plus 5 percent with the exception of milk powder which they are reselling below cost. This latter product depressed the price of dried buttermilk and in turn lowered the return to the dairy producer.

Not long ago we were told that the support price on butter April 1, 1955, would be the same in dollars and cents as in 1954. However, it would now be around 80 percent of parity as against 75 percent the previous year. To the dairy producer who sees his costs going up all around him, this is a little difficult to understand.

The Department of Agriculture could help this if they would set their resale at a higher figure. No one would suggest that the dairy products removed under the present price-support program should not be resold to the trade when needed. But why not hold the resale at a price of 100 percent (or full parity) or slightly above and give the dairy farmer an opportunity to hold his own under the parity price formula instead of losing 5 percent in a single year?

Another administrative decision that costs our producers money is the manner in which the base price has been set the past 2 years.

Normally about 50 percent or better of our production moves to west-coast markets at a freight cost equal to the east coast. The present administration has completely ignored the historical price relationships and set the west-coast support price below New York and on a par with Chicago.

They originally said the producers on the west coast wanted a lower support price. Can you believe that a west-coast producer would say 75 percent or 80 percent of parity is too much and would the Department please set the support price lower? Now they say that it didn't stop the west-coast movement and point to the volume of dairy products shipped from the Midwest to west coast last year. They did not point out that Midwest producers subsidized this movement because they were reluctant to lose their west-coast customers.

These are just a couple of many administrative decisions that seem designed to either make the present price-support system break down or to lower the returns to dairy producers.

These latter things I have mentioned constitute patchwork that could be done to improve the present system. More desirable, of course, would be the construction of an entirely new program for dairy farmers such as proposed by the Farmers Union.

SUMMARY OF NATIONAL FARMERS UNION RECOMMENDATIONS FOR SOLUTION OF THE ECONOMIC PROBLEMS OF MILK AND MILK PRODUCTS

(By James G. Patton)

The growing United States dairy problem is bounded on one side by national underconsumption of milk and its products and on the other by unnecessarily and distressingly low income of milk producing farm families.

We shall continue to urge and support enactment of domestic consumption expansion programs for milk and its products. We believe our Nation should arrange to inaugurate all the programs that are needed to enable consumers to buy all the milk they need for good nutrition and to provide free milk for all school children. If this were done, we are quite sure that market prices received by farmers for milk would be at an adequate parity level and there would be no surplus milk problem.

To the extent, however, that the Nation fails to maintain full employment and fails to adopt fully adequate milk consumption programs, we cannot stand idly by and see milk-producing farm families driven into bankruptcy and low living standards.

To prevent this we shall continue to support enactment of legislation that will provide firm protection to returns on sale of family farm production of milk and butterfat at 100 percent of the parity price by means of production payments buttressed when needed by marketing quotas.

Proposed Federal legislation which purports to eliminate State and local barriers to milk shipments or which appears to claim that elimination of Federal milk orders will

solve dairy farmers' income problems is almost surely sheer demagoguery in that such claims do no more than raise false hopes of distressed milk producers. We are advised legally that some such proposals are probably unconstitutional, and economically, if enacted, would do little to improve the income of the great bulk of America's dairy farmers. This is a complex subject, one on which our study of possible solutions is only in the beginning phases. There are countless detailed problems of State and local sanitary and pricing regulations relating to milk. We suggest for your consideration the adoption of legislation to establish within the appropriate bureau of the United States Department of Agriculture, a fully qualified staff to provide technical assistance to State and local sanitary and pricing regulatory bodies to promote rapid adoption of improved, simplified and more uniform regulations.

Mr. Chairman, one of our scheduled witnesses was unable to be here today. He is Mr. James C. Norgaard, general manager of Farmers Union Cooperative Creamery Co., of Nebraska. I request that his letter and accompanying statement be printed in the record at this point in my testimony.

LETTER AND STATEMENT OF JAMES. C. NORGAARD

SUPERIOR, NEBR., *May 10, 1955.*

Mr. JOHN A. BAKER,
Assistant to the President, National Farmers Union, Washington, D. C.

DEAR MR. BAKER: I am enclosing, herewith, a copy of my report to the shareholders at the annual farmers union meeting which sets forth some of the reasons why we are having difficulty in the dairy industry, and I also suggest what can be done about it. Of course, I don't know if it will work, but in my opinion, we need to protect the farmers on the basis of 100 percent parity, and yet keep the dairy products within the reach of everybody in the United States. The best way we can accomplish that in my opinion is a direct subsidy to the farmers and let the supply and demand take care of the price. This will eliminate the need for Government purchases of so-called surpluses.

If you care to use this report as a statement before the committee, it will be all right with me. Thank you for sending me the statements of the various farmers union leaders who will appear at the Dairy Subcommittee hearing.

Sincerely,

FARMERS UNION CO-OP CREAMERY CO.,
By JAMES C. NORGAARD, *General Manager.*

STATEMENT BY JAMES C. NORGAARD, MANAGER OF THE FARMERS UNION CO-OP CREAMERIES, SUPERIOR, AURORA, FREMONT, FAIRBURY

I am sure you have all heard that there is a surplus of butter. In my opinion, that is not entirely correct, but we do have an underconsumption of dairy products. Up to World War II we consumed on an average from 15½ to 17½ pounds of butter per capita. At present we consume only 9 pounds of butter per capita. Our annual United States production of butter is only 11 pounds per capita; it is, therefore, obvious that if we had a normal consumption of butter, we would have a shortage instead of a surplus. You may ask, "Why have we lost half of our butter consumption?"

There are several reasons:

1. The Government held the price of butter down during the war by paying a direct subsidy to the farmers, so that butter would not sell for over 50 cents per pound, while other food products were permitted to go to relatively much higher prices.

2. Rationing of butter created artificial barriers, so that butter could not move freely. For example, the west coast did not get its fair share of the Nation's butter during the war, because a large share of the west coast's dairy production was diverted from butter into evaporated and condensed or dried milk, and because of the great influx of people to work in the war plants on the west coast, and the OPA rules made it practically impossible for butter to be shipped to the west coast. The Armed Forces' needs were set aside first by the creameries, and the balance of the butter produced was rationed to the civilian population. The result was that very little butter was available and many people began using other spreads, such as jelly, marmalade, honey, and oleo. You will find many people have not used butter since before the war.

Third. Oleo. During the butter scarcity, the oleo interest capitalized on the unfavorable publicity the dairy industry was getting because of its fight against coloring oleo, and the Armed Forces after the war started to buy considerable oleo for our men in the service.

WHAT CAN BE DONE

That brings up the question "What can we do to regain the favor of the public and get butter consumption up to production levels?"

So here is what I think must be done:

I believe we must let the butter price drop to a level where the consumers can and will buy all the butter produced. We must recognize that the staggering tax load that the average family is carrying is far greater now than before World War II, so the purchasing power of the average family is actually lower, in spite of higher wages, than it was before.

The farmer must either receive a direct subsidy from the Government, so he will get 100 percent of parity, or a rollback plan of butter prices can be worked out so the creameries will receive the difference between the market price for butter and parity, so they can pay full parity price for cream to the producers, or it would spell ruin for the dairy farmer as his living cost and the cost of farming operations and taxes have likewise increased during and after World War II.

We must not forget it was the direct subsidy and rollback prices that the farmers and creameries received during the war that kept the price down to the consumers. In reality it was the consumer who received a subsidy during the war in the form of lower prices, and we must now use the same techniques to get the so-called surplus into consumption. I, for one, would rather see the American housewife get our butter cheaper, than to sell it cheap in foreign countries and ruin the market for dairy producers in other lands at the expense of the American taxpayer.

OUTLINE OF NATIONAL FARMERS UNION POSITION ON ECONOMIC PROBLEMS OF MILK

To provide a convenient reference, the following is a brief list of our major recommendations:

A. Consider basic problems to be:

1. Under consumption of fluid milk and milk products;

2. Unnecessarily and distressingly low income of milk-producing farm families.

B. Measures to expand consumption of milk and its products:

1. Enact measures to insure expanding full employment economy;

2. Federal funds to finance free milk for all schoolchildren, including administrative costs;

3. Enact food allotment (food stamp) plan (H. R. 4577);

4. Continue direct distribution to eleemosynary institutions, Armed Forces, Veterans' facilities;

5. After stable permanent milk price-support program at an adequate level has been enacted and established, revise class I milk pricing formulas in Federal milk orders to reduce retail price of fluid milk;

6. Nutritional-education program.

C. Measures to protect incomes of milk-producing family farmers:

1. Farmer returns on milk should be supported at 100 percent of parity price;

2. Use production payments as method of support;

3. Only family-farm volume of production would be eligible for payments;

4. Favor enactment of authority for milk producers to use marketing quotas to keep production balanced with genuine consumer demand.

D. Establish, within appropriate bureau of United States Department of Agriculture a staff of qualified employees to provide technical assistance to State and local milk sanitation and pricing regulatory bodies to promote more rapid adoption of improved, simplified, and more uniform regulations.

E. Raise Commodity Credit Corporation sell-back prices on sales of dry milk to feed manufacturers and on its stocks of butter to 100 percent of the parity price.

UNITED STATES LOSING BATTLE OF BOOKS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I rise to call the attention of my colleagues to an article of five columns appearing in the Chicago Daily News of Monday, June 6, 1955.

In Chicago there was formed voluntarily and informally a group, some months ago, members of which were Dr. Harold Fey, executive editor of the Christian Century; Jerome G. Kerwin, chairman of the Charles R. Walgreen Foundation at the University of Chicago; Richard P. McKeon, professor of philosophy at the university and a State Department visitor to universities in India; Emery T. Filbey, vice president emeritus at the university; Thomas B. Stauffer, humanities instructor at Wilson Junior College; and Leland G. Stauber, an undergraduate student at the university.

I might say that, of this group, Mr. Stauffer acted without pay, and giving service of great value for many months as the unofficial secretary. Through his efforts, and under the direction of the distinguished group I have mentioned, a survey was made on a national scale of the thinking of many persons representative of the faculties of our great universities, of the editorial staffs of our great newspapers, and of our leaders in the field of political action. This survey seemed to show that in the opinion of those participating we were losing the battle for the minds of the people of the world.

The article in the Chicago Daily News, to which I am calling the attention of my colleagues, and which is written by Van Allen Bradley, the literary editor of the Chicago Daily News, and a man of high standing and prestige, begins by saying:

If it is true that the pen is mightier than the sword, then the United States is in a perilous position in the worldwide struggle between democracy and communism for the minds of men.

It is in danger of losing the "Battle of the Books" to Soviet Russia.

This is followed by reports sent in from the foreign correspondents of the Chicago Daily News. As all my colleagues know, the Chicago Daily News is a Knight publication, one of a chain of great and influential newspapers in Chicago, Detroit, Akron, and Miami.

The Chicago Daily News did not accept the conclusions of the group I have referred to as necessarily well founded. It did accept them, however, as a challenge to find what actually were the facts. Therefore, it called upon its foreign correspondents throughout the world to report upon the availability of the classics of American democracy in translated and inexpensive editions in the respective countries of their assignments.

This article of five columns to which I am calling the attention of my colleagues presents the reports from these correspondents.

The article in the Chicago Daily News mentions that among the Members of this body who are interested in this matter of winning the minds of men in the only sensible way suggested are the distinguished gentleman from Iowa [Mr. GROSS], the distinguished gentleman from Ohio [Mr. BOW], the distinguished gentleman from Michigan [Mr. BENTLEY], the distinguished gentleman from Texas [Mr. POAGE], and the distinguished gentleman from North Carolina [Mr. COOLEY], and others.

Mr. Speaker, I include as part of my remarks the full text of this remarkable and illuminating article in the Chicago Daily News of June 6, 1955. I urge upon my colleagues the necessity of immediate action. The case is so clearly an authoritatively presented that if we fail through procrastination the fault is ours.

(The article referred to is as follows:)

RED LITERATURE FLOODS WORLD—UNITED STATES LOSING BATTLE OF BOOKS—CLASSICS OF DEMOCRACY URGED IN CHEAP EDITIONS

(By Van Allen Bradley)

If it is true that the pen is mightier than the sword, then the United States is in a perilous position in the worldwide struggle between democracy and communism for the minds of men.

It is in danger of losing the "Battle of the Books" to Soviet Russia.

While the Kremlin is engaged in a giant international program of subsidized book distribution, the United States Information Agency is carrying on an appallingly weak and inadequate counteroffensive.

Russia is making sure that in every country where communism seeks a foothold the classic books and pamphlets of Communist political theory are abundantly and easily available in cheap native-language editions.

The United States, on the other hand, is virtually ignoring the classic statements of democratic thought while it translates and distributes such secondary items as John Steinbeck's The Red Pony, Arthur E. Hertzler's Horse and Buggy Doctor, and Eleanor Roosevelt's The U. N. and How It Works.

Russia is turning out, in many languages, millions of volumes of inexpensive editions of the classic Communist statements of Marx, Lenin, Stalin, and other writers.

The USIA book translation program includes only a little of Thomas Jefferson and selections from The Federalist as representative of the basic political philosophy on which the American concept of freedom was built.

The books on its lists for translation are, at least to date, overwhelmingly in the category of devotional works and repentances of sinners. The gospels of democracy go virtually unknown in favor of books like former Russian Gen. Alexander Barmine's One Who Survived and Arthur Koestler's Darkness at Noon.

Nowhere on the USIA lists are there such basic works of democratic thought as Locke's Letters on Toleration, John Stuart Mill's on Liberty, De Tocqueville's Democracy in America, Bryce's The American Commonwealth, the works of Abraham Lincoln, and Emerson's Moral and Political Essays.

CHICAGOANS TAKE CASE TO CONGRESS

These are the conclusions made by a group of Chicagoans interested in how the United States is faring in spreading the gospel of democracy abroad.

It was this group that was responsible on April 14 for focusing national attention on the problem when Representative BARRATT O'HARA, of Chicago, a Democrat from the Second District, brought it up before the House in debate on the State Department appropriations.

Their conclusions are supported, in part, by informal surveys made of the USIA's book program by members of the worldwide staff of the Chicago Daily News foreign service.

The Chicago group has been studying the program for more than a year. Their object is to influence Congress to broaden the book program to make the basic documents of American democratic thought widely available in native languages and cheap editions wherever democracy faces a struggle with the Communist philosophy.

Their reason for stressing these documents is based on an observation of history: Wherever there has been a movement for constitutional democracy, it has been accompanied by a recourse to the original and fundamental statements of the democratic theory.

The Federalist, for instance, appeared in Paris in 1792 and was one of the textbooks for the statesmen of the French Revolution. De Tocqueville and Mill were used by the Russian liberal leaders of the 19th century, Bryce's American Commonwealth was a textbook for Queen Elizabeth.

The men who have joined in trying to persuade Congress and the USIA of the need for such books are Dr. Harold Fey, executive editor of the Christian Century; Jerome G. Kerwin, chairman of the Charles R. Walgreen Foundation at the University of Chicago; Richard P. McKeon, professor of philosophy at the university and a State Department visitor to universities in India; Emery T. Filbey, vice president emeritus at the university; Thomas B. Stauffer, humanities instructor at Wilson Junior College, and Leland G. Stauber, an undergraduate student at the university.

Their spadework recently brought them a letter of approval in principle from the advisory committee on books abroad for the United States Advisory Commission on Information.

This Commission was appointed by the President to advise the Secretary of State, the USIA, and the President on information problems.

Mark A. May, chairman of the committee and director of the Institute of Human Relations at Yale, in reporting his committee's approval to seek an expanded translation program, called upon the Chicagoans to supply a list of books to be considered.

Such a proposed list was submitted by Stauffer, serving informally as secretary of the Chicago group.

It included the following titles:

Madison, Hamilton, and Jay's The Federalist; Thoreau's Walden and Civil Disobedience; Locke's Letters on Toleration and Of Civil Government; Mill's On Liberty and Representative Government; Jefferson's selected writings; De Tocqueville; Bryce; Emerson's selected essays; John Dewey's The Public and Its Problems; Woodrow Wilson's The New Freedom; Mazzini's The Duties of Man; Abraham Lincoln's Selected Papers; and Learned Hand's The Spirit of Liberty.

FAIL TO OBTAIN FUNDS FOR BOOKS

On the basis of this encouragement, the Chicago group's fight was taken up by Representative O'HARA on April 14 in an unsuccessful attempt to amend the State Department appropriations bill.

Representative O'HARA said:

"Briefly stated, this is our program:

"Select 20 or 30 classics of American democracy, such as The Federalist and the writings of Thomas Jefferson, translate them into all the languages of the world, issue them in inexpensive paper editions and make them available at trifling cost to the little people everywhere.

"This was the literature that inspired and guided our forefathers in the task of building this democracy. It will inspire and guide those who now, in foreign lands, are looking for the light.

"It will bring them into closer understanding with us, since the founts of our faith will come to be the founts of their faith."

Representative O'HARA cited a report of the Special Study Commission to Southeast Asia and the Pacific headed by Representative JUDD, Republican, Minnesota, which noted "the large number of Communist works printed in the local language on sale in local bookstores for small sums because of heavy subsidy."

He also took note of the mission's statement: "The market is there, as evidenced by the eagerness on the part of the population to absorb foreign ideas."

Representative FEIGHAN, Democrat, Ohio, got into the discussion to note the size of the Russian book-subsidy program.

"The Russians," FEIGHAN argued, "are far ahead of us in the issuance of pamphlets, books, and other information. As an example in Moscow they have a Russian Printing Bureau which is going full speed ahead, printing in 40 languages 24 hours a day."

FEIGHAN cited Russian admissions that a book entitled "Marxism and the National Question" had been printed in 37 different language editions totaling 80 million copies.

He told the committee that Russia published a billion volumes of propaganda books in a wide variety of languages in 1953 as a part of the work of the Soviet Trade Ministry. The book program alone, he estimated, was more than the budget for all the operations of the USIA for 1953.

Among the other congresisonal figures who have expressed sympathy for the program are Representatives SCHWENGEL and GROSS and Senator HICKENLOOPER, Republicans, of Iowa; Representative BOW (Republican, Ohio); Representative BENTLEY (Republican, Michigan); Representative POAGE (Democrat, Texas), Representative COOLEY (Democrat, North Carolina), and Senator CAPEHART (Republican, Indiana).

DAILY NEWS GETS FIRSTHAND REPORT

The Chicago Daily News in February called upon its correspondents in different parts of the world to investigate the extent of the Communist book campaign and what the United States is doing to meet it. Following are some of their reports:

Paris (William H. Stoneman reporting):

"There are at least 6 bookshops in France that are devoted almost exclusively to the sale of Communist literature * * * in either Russian or French * * * generally attractive in appearance and sold at low prices.

"Works of the basic American philosophers are difficult to buy in France because of the high cost of American books.

"However, a vast volume of good American literature is available to the French public, in English, through the production of English publishing houses. These houses sell English and American classics in paperback or pocket-size books at extremely low prices."

Kano, Nigeria (David Reed reporting):

"It is fairly safe to say there are no Communist bookstores in most of colonial Africa."

(Reed had no report on United States books in bookstores, but he commented that the USIA libraries in Nairobi, Leopoldville and Lagos "do a fine job.")

Rome (Charlotte Ebener reporting):

"There are many Communist bookshops in Rome. * * * All the Communist classics as well as later writings * * * are available in Italian, at approximately half the price of the paperbacks on Italian or American political and economic thought.

"There is no American bookstore. * * *

"There is a tremendous difference between the distribution methods of the Soviet Union and the United States. The Soviet Union subsidizes books in Italian with broad mass appeal, at a very low price, through the large Communist Party. The books are available in neighborhoods.

"The Americans, on the other hand, concentrate on getting their books into the hands of the intelligentsia, students, and professional classes."

Miss Ebener reported that instead of giving a subsidy, the State Department arranges for Italian publishers to translate and print American books and guarantees the purchase of a few thousand copies, which it then distributes to libraries, universities, and "opinion molders."

Bonn, Germany (David Nichol reporting):

"The Communist Party of Germany maintains its own bookstores in several of the large cities. * * * Marx and Engels * * * can be obtained, but there isn't much demand for them, or so it seems. Works of Lenin and Stalin in German translation can be obtained only in the Soviet Zone."

London (Ernie Hill reporting).

"There are numerous bookstores that sell Marx & Co. at a low cost. The Communist party itself operates 36 regional bookstores and sells at below cost. Then there are several privately run stores that sell Communist literature for a profit—but still the costs are extremely low because they get them for almost nothing.

"Central Books at Red Lion Square * * * is advertising a new Russian book, 'A Book for Parents,' at 7 cents a copy. It is also publishing a booklet, 'Public Education in the U. S. S. R.' for 10 cents.

"Nowhere can you buy Jefferson, Adams, Lincoln et cetera at anything like these prices. * * *

"The USIA people * * * were rather disappointed recently when Congress turned down an appropriation to create a Government publishing house to produce cheap books to be distributed throughout the world to compete with the U. S. S. R.

"The fact remains that we have nothing to compare with the Communists' cheap books distribution plan."

EXTENSION OF REMARKS

Mr. PRIEST. Mr. Speaker, the Secretary of State, Mr. Dulles, has addressed, under date of June 6, 1955, a letter to the Speaker of the House of Representatives enclosing a draft bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended.

I have introduced the bill as sent up by the State Department, and I ask unanimous consent, in order that Members may have information about the proposed legislation, that I may include in an extension of my remarks the letter to the Speaker and the text of the explanation of the bill as sent up by the Department.

Mr. Speaker, in the event this should run beyond the allowable limit, I ask that notwithstanding the additional cost it may be printed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. THOMAS.

Mr. FLOOD and to include a statement on a bill introduced by him today.

Mr. POFF.

Mr. HINSHAW and to include an editorial entitled "Radioactive Fallout" by Dr. Willard F. Libby of the United States Atomic Energy Commission.

Mr. BURDICK.

Mr. KEOGH and to include an editorial appearing in the New York Herald Tribune.

Mr. HESELTON (at the request of Mrs. ROGERS of Massachusetts) on the postal pay raise bill.

Mr. BROWNSON and to include two editorials.

Mr. PRIEST.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DIGGS (at the request of Mr. MACHROWICZ) for June 8, 9, and 10, 1955, on account of absence from city on official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2061. An act to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3825. An act to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.;

H. R. 4294. An act to amend section 640 of title 14, United States Code, concerning the interchange of supplies between the Armed Forces; and

H. R. 4725. An act to repeal sections 452 and 462 of the Internal Revenue Code of 1954.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 47 minutes p. m.) the House adjourned until tomorrow, Thursday, June 9, 1955, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

873. A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill to amend section 301, Servicemen's Readjustment Act of 1944 to further limit the jurisdiction of boards of review established under that section"; to the Committee on Armed Services.

874. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to authorize the Attorney General to dispose of the remaining assets seized under the Trading With the Enemy Act prior to December 18, 1941"; to the Committee on Interstate and Foreign Commerce.

875. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to provide better facilities for the enforcement of the customs and immigration laws,' to increase the amounts authorized to be expended"; to the Committee on Public Works.

876. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 12, 1954, submitting a report, together with accompanying papers and an illustration, on a review of reports on Herring Creek, St. Marys County, Md., requested by a resolution of the Committee on Public Works, House of Representatives, adopted on August 17, 1949 (H. Doc. No. 159); to the Committee on Public Works and ordered to be printed with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. H. Res. 265. Resolution for consideration of H. R. 6227, a bill to provide for the control and regulation of bank holding companies, and for other purposes; without amendment (Rept. No. 735). Referred to the House Calendar.

Mr. BARDEN: Committee on Education and Labor. H. R. 3253. A bill to amend section 6 of Public Law 874, 81st Congress, so as to provide for the continued operation of certain schools on Marine Corps installations; without amendment (Rept. No. 736). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Second intermediate report of the Committee on Government Operations pertaining to military procurement of air navigation equipment; (Rept. No. 737). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H. R. 6711. A bill to amend the Tariff Act of 1930 so as to increase the duty imposed upon the importation of broom corn; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 6712. A bill to amend section 1237 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. CELLER:

H. R. 6713. A bill to provide for the establishment of a Federal Advisory Commission on the Arts, and for other purposes; to the Committee on Education and Labor.

By Mr. COUDERT:

H. R. 6714. A bill to encourage the provision of housing for families of low and moderate income by means of special incentives

relating to income taxes; to the Committee on Ways and Means.

H. R. 6715. A bill to incorporate the National Academy of Design; to the Committee on the Judiciary.

By Mr. CRUMPACKER:

H. R. 6716. A bill to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States; to the Committee on the Judiciary.

By Mr. DODD:

H. R. 6717. A bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States; to the Committee on Ways and Means.

By Mr. DOYLE:

H. R. 6718. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr. DURHAM:

H. R. 6719. A bill to provide for the issuance of a special postage stamp in commemoration of the 175th anniversary of the Revolutionary War Battle of Guilford Court House, N. C.; to the Committee on Post Office and Civil Service.

By Mr. FLOOD:

H. R. 6720. A bill to increase the annual income limitations governing the payment of pension to certain veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. O'HARA of Minnesota:

H. R. 6721. A bill to amend the act entitled "An act to save daylight and to provide standard time for the United States," approved March 19, 1918, as amended (15 U. S. C. 261–265); to the Committee on Interstate and Foreign Commerce.

By Mr. PELLY:

H. R. 6722. A bill to amend the act of June 17, 1902, to remove the prohibition against the employment of Mongolian labor in the construction of irrigation projects; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H. R. 6723. A bill to protect and preserve the national wildlife refuges, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STAGGERS:

H. R. 6724. A bill to require compliance with the National Labor Relations Act as a condition of receiving Government contracts; to the Committee on Education and Labor.

By Mr. VINSON:

H. R. 6725. A bill to provide a lump-sum readjustment payment for Reserve officers who are involuntarily released from active duty; to the Committee on Armed Services.

H. R. 6726. A bill to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956; to the Committee on Armed Services.

By Mr. ZABLOCKI:

H. R. 6727. A bill to authorize the Administrator of Veterans' Affairs to convey certain land to the city of Milwaukee, Wis.; to the Committee on Veterans' Affairs.

By Mr. BOGGS:

H. R. 6728. A bill to provide for carryback and carryover of foreign-tax credit; to the Committee on Ways and Means.

By Mr. DORN of South Carolina:

H. R. 6729. A bill to provide that the Secretary of the Navy shall appoint certain former members of the Navy and Marine Corps to the Fleet Reserve or Fleet Marine Corps Reserve, as may be appropriate, and thereafter transfer such members to the appropriate retired list; to the Committee on Armed Services.

By Mr. PRIEST (by request):

H. R. 6730. A bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. McINTIRE:

H. R. 6731. A bill to authorize the Secretary of Agriculture to assist States in the carrying out of plans for forest land tree planting and reforestation, and for other purposes; to the Committee on Agriculture.

By Mr. SCOTT:

H. R. 6732. A bill to grant a new 6-month period within which applications may be made to the Secretary of the Navy for donation of the U. S. S. *Olympia*, and for other purposes; to the Committee on Armed Services.

H. R. 6733. A bill to liberalize the provisions of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 6734. A bill for the relief of the city of Elkins, W. Va.; to the Committee on the Judiciary.

By Mr. LANHAM:

H. J. Res. 337. Joint resolution providing for the revision of the Status of Forces Agreement and certain other treaties and international agreements, or the withdrawal of the United States from such treaties and agreements, so that foreign countries will not have criminal jurisdiction over American Armed Forces personnel stationed within their boundaries; to the Committee on Foreign Affairs.

By Mr. COOLEY:

H. Res. 266. Resolution to authorize the Committee on Agriculture to make investigations into certain matters within its jurisdiction, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Connecticut, memorializing the President and the Congress of the United States to enact legislation to increase the Federal minimum wage rate; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS:

H. R. 6735. A bill for the relief of James Wanleung Mann and Mrs. Diana Biren Tung Mann; to the Committee on the Judiciary.

By Mr. CLARK:

H. R. 6736. A bill for the relief of Mrs. Filippina Huber; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 6737. A bill for the relief of Milica Ebenspanger; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 6738. A bill for the relief of William Winter and Mrs. Regina Winter; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6739. A bill for the relief of Giacomo Tremul; to the Committee on the Judiciary.

By Mr. METCALF:

H. R. 6740. A bill for the relief of Theodore M. (also known as Ted M.) Cote; to the Committee on the Judiciary.

By Mr. SISK:

H. R. 6741. A bill for the relief of Elfriede Rosa (Kup) Kraft; to the Committee on the Judiciary.

By Mr. TABER:

H. R. 6742. A bill for the relief of Rumiko Fujiki Kirkpatrick; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

311. By Mr. OLIVER P. BOLTON: Petition of John J. Kulnane, president of Local 482, Textile Workers of America, CIO, and 80 CIO employees of the Industrial Rayon Co., Painesville, Ohio, supporting an increase in the Federal minimum wage to $1.25 an hour; to the Committee on Education and Labor.

312. By Mr. HORAN: Petition of 168 residents of the State of Washington urging that Congress exercise its powers to get alcoholic beverage advertising off the air and out of the channels of interstate commerce, and thus protect the rights of States to prevent advertising within their borders; to the Committee on Interstate and Foreign Commerce.

313. By the SPEAKER: Petition of the Secretary, National Federation of Settlements and Neighborhood Centers, New York, N. Y., petitioning consideration of their resolution with reference to urging Congress to make available funds, at least on the same basis as last year, for the continued operation of the international educational exchange program of the United States Department of State; to the Committee on Appropriations.

EXTENSIONS OF REMARKS

Our Scandinavian Heritage

EXTENSION OF REMARKS

OF

HON. JAMES H. DUFF

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 8, 1955

Mr. DUFF. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech entitled "Our Scandinavian Heritage," delivered by our colleague, the distinguished senior Senator from Washington [Mr. MAGNUSON], on the occasion of the 300th anniversary of the founding of the Lutheran Mission in Pennsylvania. It was also the 175th anniversary of the arrival in Pennsylvania of the Swedish officer who came to give his technical advice to the colonists, during the American Revolution. This was an able and informative address on "Our Scandinavian Heritage," and it is a privilege to have the honor of presenting it for printing in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SWEDEN AND AMERICA

America, it has been said, is a nation of nations. From the ends of the earth men have come to these shores seeking freedom and a chance to build a new life for themselves and their families. As they have become part and parcel of the American community, they have nevertheless remembered,

as indeed they should, the lands from whence they sprung. It has become something of an American tradition to honor the contributions to our common life of the sons and daughters of those great nations across the seas from whom we are descended. We are gathered here today representing an important and vital part of that tradition.

The first immigrants from Sweden, save for a few scattered adventurers, arrived on the American Continent in the spring of 1638. The colony of New Sweden represented a dream of the great Gustavus Adolphus put into action by his daughter Queen Christina. For a time it seemed that New Sweden—established in an area embracing parts of Pennsylvania, Maryland, Delaware, and New Jersey—where no other power was firmly established would be a success. But Sweden, preoccupied with the gigantic European struggle of the Thirty Years' War could not support expansion into the New World. Thus in 1655 New Sweden fell to the Dutch and 9 years later the Dutch—in their turn—were displaced by the English.

But if New Sweden was not fated to be a strong bastion from which Swedish political influence could spread over this continent—it nevertheless laid the foundations for the deep and lasting Swedish contribution to American life. Thus, in 1640, with the arrival of the Reverend Reorus Torkillus in New Sweden, the Lutheran confession entered into the mainstream of American religous life. The Reverend Mr. Tarkillus was not only the first Lutheran minister to serve in the New World, he was also the first Protestant clergyman to serve in the Delaware River Valley. He and his successors, notably the Reverend Johan Campanius, were the first Luthern missionaries to the American Indians and laid the foundations for the religious tradition in the valley which continued long after the Swedish authority had been extinguished.

The members of the Swedish colony were excellent farmers, men unafraid of hard work whose diligence was admired by William Penn. To their eternal credit, the Swedes of the Delaware Valley had a record of fair dealing with the Indians similar to that of Penn and the Quakers. As a matter of fact, Swedes served as Penn's interpreters, and because the Indians knew and trusted them, they accepted their assurances that the Quakers, too, were humane and trustworthy. The Colony of New Sweden was a haven for the persecuted—dedicated to liberty of person and security of property in a world where to espouse these ideas required a true pioneering spirit. Unlike some other colonies, neither slavery nor the slave trade was ever permitted in New Sweden.

This Swedish tradition of liberty found a cause to admire in our Revolution. Many Swedish officers served in the American, French, and Dutch naval and military forces and participated in the fighting against the British. There were Swedish sailors with John Paul Jones. In June 1780 Count Axel Von Fersen, the best known of the Swedish officers, served the cause of American independence with skill and distinction. In this country thousands of men who had descended from the earliest Swedes served in the Continental Army and two men of Swedish lineage, John Hanson and John Morton, were outstanding figures of the Revolution. The former was elected "President of the United States in Congress Assembled" in 1781—the chief officer of government under the Articles of Confederation—while the latter is credited with casting the decisive vote in the Pennsylvania delegation, which became in fact the decisive vote in the whole Continental Congress, in favor of independence. His signature is appended to that historic declaration. When the Revolution was over and the independence had been won Sweden was the first European nation to sign a treaty of friendship and commerce with the infant Republic, United States.

The story of that latter migration is well known to all of you, how the America letters were read and reread by entire Swedish villages, how America became known as the "Framtislandet"—the land of the future. Our Middle West became a new home to hundreds of thousands of Swedish folk. As a northern people they were quite naturally partial to the northern areas of this country and spread throughout Illinois, Wisconsin, Minnesota, Iowa, Nebraska, and the Dakotas. But man soon looked for new horizons and moving across the country in straight lines they pioneered again in the building of the Pacific Northwest.

The men and women of Swedish origin who came to this country brought with them the sterling qualities of the race—the vigor, the appetite for work, the desire to lead useful lives—that soon enabled them to fit right into the American picture and become among the most valuable and valued members of the national community. Swedish farmers helped make our land among the most productive in the world. Swedish-American loggers played an indispensable part in the development of our lumbering industry. Swedish laborers by the thousands were employed in building the railroads of the great Northwest.

But if Swedish contributions were essential to our peaceful development, they were no less vital to our national defense.

In the fields of American art and culture, Swedish contributions have likewise been highly significant. Wherever they settled in considerable numbers, people of Swedish origin founded academies or colleges. No immigrant group was more concerned about education than the Swedes, and it is no wonder, in consequence, that people of Swedish background are always found among our intellectual leaders. From the vast array it is extremely difficult to single out any individuals for special mention, but none would begrudge, I am sure.

People of Swedish descent have been active in civic and political enterprise. They have demanded the best in their public servants and have furnished political leaders of the highest type at all levels of our Government.

In 1687 William Penn wrote: "I must needs comment the Swedes' respect to authority and kind behavior to the English. They do not degenerate from the old friendship between both Kingdoms. As they are people proper and strong of body, so they have fine children and almost every house full. Rare to find one of them without 3 or 4 boys and as many girls. Some 6, 7, and 8 sons. And I must do them that right; I see few young men more sober and laborious."

Like all Americans, they felt the urge to move West—to develop. The colony in Pennsylvania furnished only the beachhead. From that point their story was the story of all Americans. The West offered a challenge. They met that challenge head on.

And they are meeting the challenge in the same fashion today.

There is another characteristic virtue of the Swedish people. A most important virtue because it is the basis and cornerstone of international peace. It is their respect for the rights and integrity of others. They have not established colonies by the force of arms or lived off the fruits of the toil of the vanquished. Instead they have assisted others in realizing their legitimate economic and social ambitions. That the only secretaries of the United Nations have been Swedish emphasizes this.

In our own country today peace is the most important of all issues. It is dearest to our hearts, the greatest goal we can achieve.

At the present moment in the press and in the Congress, there is much debate as to who is ahead in the race for mastery of the air, ourselves or the Russians. The fact is that we are today, but the accelerated productions of Soviet factories will put them ahead tomorrow. This will result in fresh effort on our part. The arms race is never ending.

The cold reality is that in arms, planes, battleships and devilish destruction there is no guaranty or even mild assurance of peace. We cannot rattle an atomic or hydrogen bomb at the world and say "massive retaliation to those who do not agree with us." That same retaliation will be the fate of those who first employ it. A very few if any of us here today, will survive such a conflict.

There is no safety in atomic arms. The answer to peace is not to be found in war. It is only to be found in the patient practice of this virtue of consideration of the economic and political rights of others, characteristic of Scandinavia.

As a Nation, I feel we tend to talk about this more than putting it into active practice as do the Swedes.

But we must realize that so long as any people in this world are denied a right to a place in the sun. So long as one people is permitted to exploit another people, there is no peace on earth.

This is a terrific responsibility for us. There is so much profit to be made by exploitation, but we must restrain in our own citizens from indulging it. It is so easy for us to tolerate a friendly government that oppresses its citizens on the basis that it is no business of ours. In my opinion it is and must be if we are ever to achieve peace. For I am quite sure that a just God is as jealous for the rights and happiness of a Malayan as of any American.

One of the greatest goals we have sought to reach as long as I can remember is peace in our time. We have had it off and on; between World War I and World War II. We thought we had it permanently after World War II, only to have the Korean war come along.

We have attempted to achieve it with everything from top level to low level conferences in this country and abroad. We have had many high sounding words and phrases thrown about on the subject. We have had experts thoroughly conversant with the foreign situation as it existed at that particular moment, but I wonder if we have achieved through all these discussions, conferences, any semblance of the meaning that you and I attribute to the word "peace." A few moments ago, I mentioned the arms race that has been underway certainly through my generation and yours, the weapons that the arms race produced. As I view the situation, we have achieved a sort of an armistice, an uneasy one at that with the world tottering on the brink of peace or war. Actually, it depends upon whether you are an optimist or a pessimist, which one, peace or war?

It is one of the most unusual situations to hear words about peace on every hand. As far as I can tell, everyone you talk to wants peace. Certainly the wishes for peace aren't reserved to the White House or the State Department. We in the Senate want it just as badly as anyone else, regardless of party. In my talks to the Members of the House of Representatives, they feel the same way. Carry the discussions into the street and you won't find a single person who openly says he wants a war. We are led to believe that everyone in Russia except the high command wants peace. I think that story would be generally true throughout Europe, if we were to take a poll of sentiment among the people.

By this time you are probably reaching the same conclusion I am. The whole world clamors for peace, yet prepares for war. The individual in Russia whose inner spirit cries out most for world peace is the busiest right now in an airplane factory turning out planes that can fly faster, farther, and carry a heavier load than our B–52's. Or, he is feverishly working to improve their version

of the atomic or hydrogen bomb. Or, probably, some of them may be studying maps of the free world trying to see what people to put under the totalitarian thumb next.

The sad part about all of this are the other needs that go wanting through this confusing picture. For example, medical research. Mental health. Research into agriculture. Use of our forest industries. Attempting to get the earning level of the average man throughout the world to the point where he can enjoy more than the bare essentials of existence.

Probably as a nation, we have done more to get the world thinking along those lines than any other. But we should, because of all the world, ours has been the most productive nation, mentally and physically. But even with our efforts they have not been enough. Nor will they be enough until a few of the goals we talk about are achieved and achieved they must be if we are ever to convince the rest of the world that we honestly are bent on betterment—not exploitation—if we can convince peoples elsewhere that we merely intend to help them develop their own resources and then use them even more wisely than we have been able to use own. If we can convince them that this talk they get about our capitalistic system being out strictly for dollars instead of bettered lives is nothing but propaganda—then I think that world peace will be ours during our generation because we will have shown them the way through deeds, not talk. Through action, not conferences. Through humanitarian efforts—not through gestures. Through a helping hand from the heart, not through a closer look at the almighty dollar.

Introduction of Legislation for Limited Return of Enemy Property

EXTENSION OF REMARKS
OF
HON. J. PERCY PRIEST
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 8, 1955

Mr. PRIEST. Mr. Speaker, the Secretary of State, John Foster Dulles, has addressed, under date of June 6, 1955, to the Speaker of the House of Representatives a letter enclosing a draft bill to amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended. The letter together with the draft bill and an explanatory memorandum on the draft bill, were referred to the Committee on Interstate and Foreign Commerce on June 7, 1955.

As chairman of the committee, I have introduced the bill as drafted by the Department of State and, in order to afford all interested parties an opportunity to study the recommendations made by the Department of State in its letter to the Speaker of the House of Representatives and the explanatory memorandum, I am making these two documents public simultaneously with the introduction of the bill.

JUNE 6, 1955.

DEAR MR. SPEAKER: I enclose a draft bill "To amend the Trading With the Enemy Act, as amended, and the War Claims Act of 1948, as amended." The first part deals with the assets in the United States, title to which was vested in the Government under the Trading With the Enemy Act as a consequence of World War II. By far the greatest portion of these assets was owned by nationals of Germany and Japan. In general, this part of the draft bill provides for a limited return as a matter of grace of the vested assets, or of the proceeds of their liquidation, to such of the former owners or their successors in interest as are natural persons not in territory behind the Iron Curtain. The maximum value of property or proceeds returnable to any one individual is fixed at $10,000. In the few instances where property of charitable, religious, and educational organizations was vested, such property would be returned without regard to its value. Interests in trademarks would be returned to business enterprises as well as natural persons. All interests in copyrights would be divested in favor of the former owners or their successors in interest. Patent interests would not be returned.

The second part of the draft legislation deals with certain claims of United States nationals against Germany arising out of World War II. This part establishes a fund of $100 million to finance payments to such claimants. The compensation payable to any single claimant probably would not exceed $10,000.

I enclose also with the proposed bill a memorandum describing its provisions in detail and, where necessary, explaining the reasons for particular provisions. However, in order to afford a clear understanding of the general purposes of the draft legislation, it will be helpful to add here a brief statement of the events which have led to its recommendation.

By the first War Powers Act of December 18, 1941, Congress amended the Trading With the Enemy Act of 1917 to grant the President extensive powers to vest assets in the United States owned by foreign countries or their nationals. The 1917 act already contained provisions for the return of such of the property to be vested as might ultimately prove to be owned by nonenemies. However, neither the 1917 act nor the 1941 act provided for the disposition of World War II vested assets finally determined to be owned by enemy governments or their nationals. That matter was left open.

Early in 1942 the President created the Office of Alien Property Custodian as an independent agency and delegated to the Alien Property Custodian the power to vest property other than securities, cash and credits. In June 1945, the Custodian's vesting power was expanded to include German and Japanese-owned securities, cash and credits. As a result, substantially all the German and Japanese assets known to be in the United States as of December 7, 1941, were vested by the Custodian or by his successor, the Attorney General.

In January 1946 the United States and 17 allied nations other than the Soviet Union and Poland executed the Paris Reparation Agreement whereby they agreed upon the division of the limited German assets in kind available to them as reparation from Germany, including German external assets located within the respective signatory countries. The 18 Allies agreed to hold or dispose of these external assets in such a way as to preclude their return to German ownership or control. This program was formulated in light of the Allied experience after World War I when the attempt in effect to exact reparation from Germany's current production failed and led to Germany's default on its obligations. Moreover, it was clear after the end of World War II that the United States would have to provide major assistance to Germany to prevent disease and unrest. This country, therefore, favored measures which would limit Germany's World War II reparation to its external assets and other assets in kind, thus relieving Germany of reparation payments from current production and avoiding the indirect financing of reparation by the United States. The Paris Reparation Agreement met this objective.

In 1946 Congress enacted section 32 of the Trading with the Enemy Act authorizing returns of vested property to persons having merely technical enemy status and to enemy nationals who were persecuted by their own governments. In the same year, Congress added section 34 to the Act, providing for the payment of pre-vesting debt claims of Americans against enemy nationals whose property was vested.

By the War Claims Act of 1948 Congress added section 39 to the Trading with the Enemy Act, providing that German and Japanese assets not returnable under section 32 should, after the payment of debt claims therefrom, be retained by the United States without compensation to the former owners. In addition, the War Claims Act of 1948 gave priority to the use of the net proceeds of liquidation of this retained property for the payment of compensation to American civilian internees of the Japanese, to American servicemen captured by the forces of Germany, Japan and other governments which failed to provide adequate subsistence as required by the Geneva Convention and to certain Philippine religious organizations which had rendered aid to American personnel. This Act did not provide for the payment of war claims of Americans arising out of war-caused property damage but authorized a study of the problem. The Attorney General has advanced a total of $225 million from the proceeds of vested assets for purposes of the War Claims Act of 1948. Thus that act constituted a Congressional disposition of the German and Japanese assets vested under the Trading with the Enemy Act during World War II. Furthermore, that act, in effect, gave confirmation to the reparation program set forth in the Paris Reparation Agreement by devoting German external assets to the satisfaction of certain American war claims.

The Japanese Peace Treaty of 1952 also followed the policy incorporated in the Paris Reparation Agreement with respect to enemy external assets. It provided that the Allied powers should have the right to retain and liquidate Japanese property within their jurisdictions. In addition, the peace treaty provided that Japan should compensate nationals of the Allied Powers in Japanese currency for war damage to property located in Japan. In consequence of these and other provisions the United States and the other Allied Powers waived any additional war claims against Japan.

The Bonn Convention of 1952 for the settlement of matters arising out of the war and the occupation, between the Federal Republic of Germany and the United States, Britain, and France, also affirmed the policy of the Paris Reparation Agreement. In that convention the Federal Republic of Germany agreed to compensate its own nationals for their loss of external assets by the vesting and other action of the Allied powers. For their p..rt these countries gave the Federal Republic a commitment that they would not assert any claims for reparation against its current production. These provisions of the Bonn Convention were carried forward and approved in the Paris Protocol of 1954 which was approved by the Senate April 1, 1955, and came into force on May 5, 1955.

On July 17, 1954, Chancellor Adenauer wrote to the President to enlist his support for legislation which had been introduced in Congress for the general return of vested German assets. The Chancellor referred to the hardships suffered by many of the German individuals whose property had been vested. He mentioned old people, pensioners, and beneficiaries of insurance policies and inheritances in particular, and urged that alleviation of these hardship cases would make a considerable contribution to furthering the friendship between the peo-

ples of the United States and Germany. The President's reply of August 7, 1954, referred to the fact that the Allied Governments decided to look to German assets in their territories as a principal source for the payment of their claims against Germany. The President expressed sympathy with individuals in straitened circumstances in Germany for whom the operation of the vesting program in the United States had created particular hardship. He pointed out that American nationals who had suffered losses arising out of the war had received no compensation, also with resultant hardship in many cases. Finally, the President stated that although none of the bills then pending in Congress with regard to the return of vested assets had the approval of his administration, the problem was receiving earnest consideration and he hoped that a fair, equitable, and satisfactory solution could be achieved. The matter was also raised by Chancellor Adenauer with the President during the former's visit to Washington in October 1954 and conversations between representatives of the two governments were agreed upon.

The Japanese Government also expressed a hope that the return of vested Japanese assets would be considered. The subject was discussed by Prime Minister Yoshida with the President on November 9, 1954.

As a result, the executive branch formulated the plan represented by the enclosed draft bill. Thereafter representatives of the United States and the Federal Republic of Germany discussed the matter of vested German assets and the related problem of American war claims against Germany. Subsequently, similar discussions were held between representatives of the United States and Japan. During these discussions representatives of the Federal Republic of Germany and Japan were informed that the executive branch would recommend a limited return of vested assets to natural persons up to a maximum of $10,000 as a matter of grace for the purpose of alleviating the cases of hardship caused by vesting. The United States representatives pointed out that this action would result in a full return to approximately 90 percent of the former owners whose property had been vested and would achieve the equitable solution sought by the President. The United States representatives expressed the hope that, in addition to relieving hardships of an appreciable number of German and Japanese people, this action would serve to make even more secure the ties between the United States and those countries. The representatives of the German Federal and Japanese Governments expressed the hope that the proposed return would subsequently be followed by a wider program. They were informed, however, that the administration did not envisage a broader return than was contained in the present recommendation.

It appears that the contemplated return program can be financed out of vested assets, or their proceeds, presently held by the Attorney General. After taking into account the payment of $225 million under the War Claims Act of 1948, returns and debt claims paid and payable under existing provisions of the Trading With the Enemy Act, and the payment of other authorized sums, it is estimated that there will remain a balance of $60 million for use in the proposed program. Its cost would be approximately $50 million for West German assets and $7.5 million for Japanese assets. If the funds in the possession of the Attorney General should prove to be inadequate or not readily available for the program, alternative supplemental means of financing are provided for in the bill.

The proposed bill would amend section 9 (a) of the Trading With the Enemy Act, as amended, to permit the sale of important vested properties despite the pendency of a suit for the return thereof and to permit the substitution of the proceeds of sale or just compensation, at the election of the claimant, as the subject of the suit. This provision is included in order to facilitate the expeditious termination of the alien-property program and in order to remove the Government from the operation of certain American business enterprises.

It will be noted that returns of vested assets would not be made to persons behind the Iron Curtain. It would be desirable for the program to be extended to such persons by supplemental legislation when conditions warrant.

The second part of the proposed bill provides for the compensation of American claimants against Germany for war damage to property. This part of the bill would set aside for this purpose a fund of $100 million out of sums payable by the Federal Republic in settlement of its indebtedness to the United States for postwar economic assistance. The Foreign Claims Settlement Commission estimates that there are 24,000 claims of American nationals outstanding against Germany for property damage during World War II, amounting to approximately $232,500,000. The Commission also estimates that a fund of $100 million would permit the satisfaction in full of all claims not over $10,000.

The proposed earmarking of $100 million of the repayments the Federal Republic of Germany is to make for postwar economic assistance rendered by the United States would be, in effect, a restoration of the $100 million of reparation from Germany used for other purposes under the War Claims Act of 1948. The total value of vested Japanese assets is approximately $60 million. Consequently, it is clear that of the $225 million deposited by the Attorney General in the Treasury under the War Claims Act of 1948, at least $165 million was derived from German assets. According to estimates of the Foreign Claims Settlement Commission, total payments under that act to satisfy American prisoners of war and other claims which arose in Europe will amount to approximately $60 million. As a result, about $100 million of the proceeds of German vested assets will have been used to satisfy claims attributable to countries other than Germany—i. e., in the main, Japan. If this sum had not been so used, it would have been available at the discretion of the Congress to pay American property damage claimants against Germany. The creation of the $100 million fund would, therefore, not establish a precedent for the payment of American property damage claims against foreign governments out of public moneys.

The draft legislation was prepared by the Department of State, the Department of Justice, the Treasury Department, and the Foreign Claims Settlement Commission. It is based upon a full and careful consideration of the problems involved, and represents the considered position of the administration. The proposals should be considered as a whole. Prompt and favorable action would resolve a troublesome problem in the field of our foreign relations and would strengthen the ties of friendship with the Federal Republic of Germany and Japan.

I respectfully request that early consideration be given to the proposed legislation which is transmitted herewith. A similar communication is being sent to the Vice President.

The Bureau of the Budget advises that the enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

JOHN FOSTER DULLES.

EXPLANATORY MEMORANDUM ON DRAFT BILL "TO AMEND THE TRADING WITH THE ENEMY ACT, AS AMENDED, AND THE WAR CLAIMS ACT OF 1948, AS AMENDED"

The first part of the proposed bill is designed to effect: (1) The return in general as a matter of grace of vested assets other than patent interests to natural persons not behind the Iron Curtain up to a limit of $10,000; and (2) the return of trademark and copyright interests to business enterprises as well as to natural persons without regard to the $10,000 limitation on value and, insofar as copyright interests are concerned, without regard to the limitation on return to persons behind the Iron Curtain. Property owned by charitable, educational, and religious organizations would also be returned without regard to the $10,000 limitation. It would treat several types of vested assets in a manner different from the treatment accorded the great bulk of such assets. The differences are deemed advisable by virtue of past policy, facility of administration of the contemplated return program and the desirability of terminating the World War II alien property program as quickly as possible. There is set forth below a résumé of the manner in which the proposed bill would affect various categories of assets.

CATEGORY I. ASSETS OTHER THAN TRADEMARK, COPYRIGHT AND PATENT PROPERTIES, AND PRINTS OF MOTION PICTURES

The great bulk of the vested assets falls within this category. The proposed bill would effect return of these assets in an amount not exceeding $10,000 to natural persons. Natural persons would not be deemed to have had any ownership interest in assets vested from a business enterprise in which they have stock or some other beneficial interest. Consequently, no part of such assets would be returned to them. Persons who have made settlements or compromises of claims or suits with respect to vested property would be barred from obtaining any property in addition to that which they obtained in the settlement or compromise. Persons convicted of war crimes would be excluded from return.

The following property would be excluded from the return program by reason of United States commitments to foreign governments:

1. Vested property located in the Philippine Islands and subject to transfer to the Republic of the Philippines under the Philippine Property Act of 1946 (22 U. S. C. 1381–86).

2. Certain securities of American issue looted in the Netherlands by Germany during its occupation of that country. Under an agreement with the Netherlands executed January 9, 1951, the United States undertook to return such securities to the Government of the Netherlands or its nationals.

3. Property which this Government is obligated to release or to receive or retain pursuant to existing agreements between the United States and certain World War II Allies relating to the resolution of conflicts between the alien-property custodians of the signatories. These agreements, entered into by the United States pursuant to Public Law 857, 81st Congress, provide for transfers of various categories of vested property by and to the United States.

Returns of property in category I would be effected under a claims program. Claims would have to be filed with the Attorney General within 1 year of the enactment of the proposed legislation. In order to facilitate the administration of the contemplated program new claims would be required of persons who have previously filed claims under section 9 or section 32 of the Trading With the Enemy Act. This requirement would obviate the necessity of reopening thousands of closed claims and examining additional thousands of claims now pending under those sections to obtain the new data required by the proposed legislation.

The proposed bill provides that in general a return of vested property in this category will be subject to a deduction of the amount of conservatory expenses incurred with respect to such property, a deduction to cover general administrative expenses, a

reserve for any unpaid taxes with respect to the property, and a reserve for any pending debt claims against the property under section 34 of the Trading With the Enemy Act. If the Attorney General should hold property vested from the prevesting owner in addition to the property returnable under the proposed bill, the amounts of expenses and reserves would be deducted, to the extent possible, from such additional property.

A person who has a pending claim under section 9 (a) or section 32 could claim return under the proposed bill only upon the filing of a written waiver renouncing his claim under section 9 (a) or section 32 to the amounts retained for expenses and reserves. As a practical matter this provision would reduce the amount of vested property returned under this bill to a section 9 (a) or section 32 claimant by the amount of the deduction for administrative expenses plus the amount of any debt claims. On the other hand, it would permit the claimant to receive a return under this bill without the necessity of establishing himself as a nonemeny under section 9 (a) or as a persecuted person or other eligible claimant under section 32. The provision for waiver has been included in the proposed legislation in an attempt to close out as expeditiously as possible the great majority of the pending title claims—that is, those which are filed against vested property worth less than $10,000. Elimination of these claims would be a major step toward the termination of the administration of World War II vested property.

CATEGORY II. TRADEMARK PROPERTIES

Since the use of a vested trademark would be deceptive except in connection with goods made by the prevesting owner of the mark, or the successor in interest of such owner, it is deemed advisable to make a general return of trademarks and unexpired interests in prewar contracts relating to trademarks. The proposed bill would authorize returns of trademarks or contract interests therein without regard to the $10,000 ceiling and thus would enable a natural person to receive such marks and contract interests in addition to $10,000 of other vested property. However, royalties or other income received from the marks on contract interests during the period of vesting would be charged against the $10,000.

The proposed bill would authorize the return of trademarks and contract interests therein to business enterprises as well as natural persons. However, any royalties or other income derived from such marks or contract interests during the period of vesting would not be returned to business enterprises. Also excluded from return by reference to specific vesting orders are certain possible reversionary or other similar rights relating to trademarks and good will which, since prior to World War II, have been assigned to and held by vested corporations which are still controlled by the Attorney General and which conduct manufacturing businesses. In general, the vesting orders excluded from the return provisions are "catchall" vesting orders issued as a precautionary measure for the purpose of cutting off any unknown or undiscovered rights which may have been retained by enemy nationals with respect to the good will, trademarks, and trade names of these vested corporations. Some of the excluded vesting orders vested contract rights which related to such trademarks and trade names. In many cases these nebulous reversionary rights may be nonexistent or without any real value, although the catchall vesting orders still serve a precautionary purpose. To return the rights vested by these vesting orders might invite unnecessary harassment of vested corporations and their involvement in litigation with respect to those portions of their businesses in which the trademarks are used, notwithstanding the fact that the vested corporations for many years have operated these businesses independently of the former owners of any purported reversionary rights.

Inasmuch as the Attorney General has only about 325 vested trademarks and trademark contract interests, the return of such property would not involve the administrative problems described below with regard to copyrights. Consequently the return would be effected by the claims program described under category I and would be subject to the restrictions mentioned there. The proposed bill provides that where a trademark or trademark interest was owned prior to vesting by a person in East Germany, it would be returned to a person in the Federal Republic of Germany if a competent agency of the Federal Republic certifies that an equivalent trademark has been registered by it for such person.

CATEGORY III. COPYRIGHT PROPERTIES

Vested copyright interests number more than 300,000. These cover vested copyrights and copyrights which are the subject of prewar contracts. A program for the return of copyrights and unexpired contracts interests in copyrights of the nature described under category I might well become unmanageable because of the number of claims which might be filed and the complexity of claims of authors and composers in connection with vested pre-war contract interests. Furthermore, since a substantial number of copyrights and contract interests would not be returned under the program proposed for category I by reason of the exclusion of East Germans, the Attorney General's Office would be forced to continue the administration of such copyrights and interests without any apparent practical means of terminating such administration within a reasonable time.

As a result of these considerations it has been deemed advisable in the proposed bill to effect the return of copyrights and unexpired contract interests therein by means of a statutory divestment which would require no action on the part of the Attorney General. Such divestment would be effective without regard to the value of the copyrights and contract interests and would serve to effect returns to business enterprises as well as to natural persons. The divestment would not extend to royalties or other income received during the period prior to divestment. Such funds would be returnable only to natural persons within the limits and pursuant to the claims program described under category I.

It should be noted that the divestment proposed in the draft bill would serve to return copyrights and unexpired contract interests therein to persons and firms in the east zone of Germany. Thus, although such persons and firms would not receive the return of any money in the hands of the Attorney General they would become entitled to any income from their copyrights and contract interests which might accrue after divestment. It is not possible to estimate the future annual amount of such income since the number and identity of former owners in the east zone of Germany are not known at this time. However, the annual income realized from all vested copyrights and copyright contract interests during the past 5 years has averaged approximately $200,000. Even assuming that a substantial part of this figure would be paid annually to persons behind the Iron Curtain during the next several years, divestment seems preferable to the administrative problems and substantial expense inherent in an extended claims program or other procedure for separating East Germans from other persons entitled to copyrights and contract interest therein. In addition, the divesting technique would enable the Attorney General to be rid of the administration of copyright properties and thus hasten the termination of the alien property program.

The proposed bill specifically excludes from return the moneys collected in connection with the publication in the United States of Hitler's Mein Kampf, the diaries of Paul Joseph Goebbels, the memoirs of Alfred Rosenberg, and a work by a leading Nazi, Otto Skorzeny. The copyrights and contract interests connected with these works are also excluded from divestment. A photographic history of the Nazi Party, formerly owned by Heinrich Hoffman, its official photographer, has been excluded from return. In addition, the copyright to a scientific motion picture entitled "Meiosis" has been excepted from divestment because of its wide use by American educational institutions. Since this copyright was owned by an East German firm prior to vesting divestment, this might impede its future use in this country.

CATEGORY IV. PATENT PROPERTIES

Patents and interests in prevesting patent contracts are excluded from return by the proposed bill. It has been the policy of the United States since 1942 to make the patents and technology vested from World War II enemy nationals readily available to American industry by means of revocable nonexclusive royalty-free licenses for the life of the patents. This policy has been widely publicized and has been relied upon by licensees in making investments to develop and exploit the patents. The exclusion of patent interests from the return program is thus in keeping with the Government's longtime policy and will serve to safeguard the interests of American licensees.

With two exceptions, the income received by the Alien Property Custodian and the Attorney General from vested patents and contract interests in patents would be returned by the proposed bill to natural persons up to a limit of $10,000 in the same manner as other property in category I. One exception is the money collected from American licensees under prewar contracts with enemy nationals deemed violative of the antitrust laws. This money was collected because the Government did not suffer the disability of the enemy party. (See *Standard Oil Co.* v. *Markham*, 57 F. Supp. 332, affirmed sub. nom. *Standard Oil Co.* v. *Clark*, 163 F. (2d) 917 (C. C. A. N. Y. 1947), certiorari denied, 333 U. S. 873). It would of course, be inequitable to enrich a returnee with a gift of funds which he himself could not collect. The second exception arises from the fact that much of the income received from vested patents and patent contract interests was derived from their use in war production. In returning vested patents and patent contract interests to nationals of Allied countries the Attorney General deducts royalties received from war production and turns them over to the Treasury. The returnee is compensated by his own government pursuant to reverse lend-lease arrangements. In the negotiation of the understanding between the United States and Italy which led to the return of vested Italian property it was agreed that patent royalties derived from war production should not be returned. In view of the fact that the segregation of such royalties would have been difficult, it was agreed that all royalties earned by vested Italian patent and patent contract interests prior to the end of 1945 would be deemed attributable to war production. The policy and date agreed upon in the Italian understanding have been used in the proposed bill.

CATEGORY V. PRINTS OF MOTION PICTURES

The Attorney General administers a considerable number of prints of motion pictures. Few, if any, of the individual prints are of more than nominal value. The aggregate value is not commensurate with the expense which would be involved in proc-

essing claims for their return. Furthermore, these prints can be duplicated elsewhere in almost every instance. Accordingly, the proposed bill excludes the prints from return except in cases where claims thereto have already been filed under existing law. The bill further provides that the Attorney General deliver the prints to the Library of Congress, which may retain or dispose of them in any manner it deems proper.

A section analysis of the first part of the proposed bill is set forth below:

The proposed section 1 would make technical amendments to section 39 of the Trading With the Enemy Act necessitated by other provisions of the proposed bill.

Section 2 of the proposed bill would add new sections 40 to 43 to the Trading With the Enemy Act to effect the proposed returns of vested property. Such returns will not affect or be affected by transfers of the proceeds of liquidation of vested property to the War Claims Fund under the War Claims Act of 1948.

The proposed section 40 (a) would effect the returns in general of vested property to natural persons up to a limit of $10,000. It specifically excludes from return the securities subject to the looted securities agreement with the Netherlands, copyrights and copyright contract interests, motion-picture prints, patent and patent contract interests, property transferable to the Philippine Government and property subject to intercustodial agreements with foreign countries. It further provides that if the property of a prevesting owner exceeds $10,000 in value and cannot be divided into a portion having a value of $10,000, then return would consist of a lesser portion, if practicable, augmented by a supplemental return. Finally, section 40 (a) would make returns thereunder subject to deductions for expenses and reserves as set forth in section 40 (m).

The proposed section 40 (b) relates to trademarks and trademark contract interests. It would provide that they should be deemed to have no value in connection with the $10,000 limit on returns and in connection with valuation for the purpose of deducting general administrative expenses under section 40 (m). Section 40 (b) would make business enterprises eligible for the return of trademarks and contract interests therein. The reference to specific vesting orders would exclude from return certain possible reversionary or other similar rights relating to trademarks and goodwill connected with vested corporations still administered by the Attorney General. Trademark registration by the German Federal Government authorities would govern the return of trademarks in certain instances. All returns of trademarks would be subject to outstanding licenses issued with respect thereto.

The proposed section 40 (c) would authorize return of vested property to charitable, religious and educational institutions without regard to its value.

The proposed section 40 (d) would limit to $10,000 the amount of property to be returned to the estate or the heirs of a prevesting owner who has died since the date of vesting. In addition, it would specifically prohibit any one person from receiving more than $10,000.

The proposed section 40 (e) would bar returns to persons claiming vested property who have previously settled or compromised suits or claims with respect to such property, to persons or firms behind the Iron Curtain as of January 1, 1955, or subsequently, and to persons convicted of war crimes. Section 40 (e) (2) uses the phrase "maintained his principal dwelling place" in connection with the disqualification of persons behind the Iron Curtain. This phrase is used in preference to language appearing in section 2 of the Trading With the Enemy Act which defines an enemy as including a person resident within enemy territory. The definition in section 2 has caused difficulty, in part because of uncertainty as to the weight to be given to a person's intent as to the future place of his abode. The phrase "principal dwelling place" would eliminate such intent from consideration.

The proposed section 40 (f) would exclude from return by reference to specific vesting orders any income received by this office from Mein Kampf and other works mentioned above and would exclude the Hoffman photographic collection both as to income and actual physical property.

The proposed section 40 (g) would exclude the return of moneys received from patent licensing contracts deemed to be violative of antitrust statutes and moneys received from the use of patents prior to the end of 1945.

The proposed section 40 (h) would bar return of property to a person claiming such property through his stock ownership or other beneficial interest in a business enterprise which owned the property prior to vesting.

The proposed section 40 (i) is practically identical with section 32 (d) of the Trading With the Enemy Act. It would restore persons to whom return is made to all rights, privileges and obligations in respect of the returned property which would have existed if the property had not been vested. This section would specifically exculpate the Government from any liability in connection with its administration or use of the property during vesting. It would also bind the returnee by any notice received by the Attorney General prior to return and impose on him any obligations which accrued with respect to the property during the time of its vesting. The period of vesting would not be included for the purpose of determining the application of any statute of limitations to the assertion of any rights by such person.

The proposed section 40 (j) is practically identical with section 32 (e) of the Trading With the Enemy Act. It would permit persons eligible for return under the proposed section 40 to sue subsequent to the return to establish as against the returnee any right, title or interest they may have in the returned property. The period of vesting would not be included in determining the application of any statute of limitations to any such suit.

The proposed section 40 (k) would require that claims for return under section 40 be filed within 1 year from enactment in such form as the Attorney General shall prescribe. New claims would be required from persons who have filed previously under other sections of the Trading With the Enemy Act.

The proposed section 40 (l) would prevent anything in section 40 from affecting the rights of claimants to pursue remedies under sections 9 (a), 32 or 34 of the act. It would prohibit a person claiming property under section 9 (a) or section 32 from receiving a return under section 40 unless he waives his claim under section 9 (a) or section 32 to the amounts of expenses and reserves retained under section 40 (m). A return of property to any person under section 40 would be prohibited while a claim to the same property filed by some other person is pending under section 9 (a) or section 32.

The proposed section 40 (m) would provide for the retention by the Attorney General of the amount of conservatory expenses incurred with respect to the returnable property, a charge for administrative expenses and reserves for the payment of taxes and debt claims. It would provide that such expenses and reserves be retained from any additional property of the owner prior to vesting. Any unused portion of a reserve for the payment of taxes or debt claims would become returnable as though it had not been a part of a reserve. Returnees would be permitted to pay the amounts of expenses or reserves in lieu of the liquidation of returnable property to provide funds therefor.

The proposed section 40 (n) relates to the controls exercised by the Treasury Department pursuant to section 5 (b) of the Trading With the Enemy Act over assets owned by Communist Chinese and certain other blocked nationals. Returned property would be subject to these controls if owned by such persons.

The proposed section 40 (o) would make the determinations of the Attorney General in the administration of section 40 final.

The proposed section 40 (p) contains definitions.

The proposed section 41 (a) would permit the use of currency of the Federal Republic of Germany payable to the United States to finance returns to persons in the Federal Republic or the western sectors of Berlin when the Attorney General deems that such action should be taken.

The proposed section 41 (b) would provide for the same possibility with respect to Japan if circumstances permit.

The proposed section 42 (a) defines "copyrights."

The proposed section 42 (b) would provide for the divestment of vested copyrights effective 90 days from the enactment of the section. This 90-day period is proposed in order to afford time for adequate notice and instructions to American licensees and American parties to vested prewar copyright contracts regarding the effect of divestment on their future payments of royalties and taxes thereon. Divestment would be made subject to outstanding licenses previously issued and assignments of interests in such licenses. The rights remaining in the Attorney General under licenses would be transferred effective the day of divestment to the owner of the divested copyrights. All royalties accrued up to that day would have to be paid to the Attorney General.

The proposed section 42 (c) would divest the vested interests in prewar contracts relating to copyrights effective 90 days from the enactment of the section. All sums payable under such contracts prior to the day of divestment would have to be paid to the Attorney General.

The proposed section 42 (d) would exclude from return the right to sue for infringement during the period of vesting.

The proposed section 43 would authorize the transfer of motion-picture prints to the Library of Congress with the exception of prints subject to claims under present law. The Library would have full discretion to retain or dispose of the prints in any manner it deems appropriate.

Section 3 of the proposed bill would amend section 32 (h) of the Trading With the Enemy Act to exclude from returns to designated successor organizations thereunder any property returnable under the proposed section 40.

Section 4 of the proposed bill would amend section 9 (a) of the Trading With the Enemy Act to permit the sale of vested property held subject to suit under that section upon a determination by the President that the interest and the welfare of the United States so requires. Any claimant in the suit would be permitted to elect, after the sale, whether to take his share of the proceeds of sale, if successful in the suit, or to request a determination of just compensation.

The final part of the proposed bill is to provide for the settlement of five categories of American war claims against Germany. Payments on allowed claims are to be made from the proposed German claims fund which is to consist of $100 million to be set aside from repayments by the Federal Republic of Germany under the agreement settling the United States claim for postwar economic assistance to Germany. The general types of claims authorized in the proposed measure are as follows:

(1) Physical damage to or physical loss or destruction of property located in Albania, Austria, Czechoslovakia, Germany, Greece,

Poland, or Yugoslavia in the period beginning September 1, 1939, and ending May 8, 1945. Such losses must have occurred, under the proposed bill, as a direct consequence of military operations of war or of special measures directed against such property because of the enemy or alleged enemy character of the owner. The property must have been owned directly or indirectly by the claimant at the time of the loss, damage, or destruction. Certain items of personal property and intangibles are expressly excluded from the types of property, loss of which would otherwise be compensable under the bill.

(2) Damage to or the loss or destruction of ships or ship cargoes owned by the claimant at the time of such damage, loss or destruction, which must have occurred as a direct consequence of military action by Germany in the period beginning September 1, 1939, and ending May 8, 1945.

(3) Net losses by insurance companies incurred in the settlement of claims for insured losses, including reinsured losses, of American owned ships or ship cargoes as a direct consequence of military action by Germany in the period beginning September 1, 1939, and ending May 8, 1945.

(4) Loss or damage on account of the death or injury of any civilian national of the United States who was a passenger on any vessel engaged in commerce on the high seas if such death or injury was a result of military action by Germany during the period beginning September 1, 1939, and ending December 11, 1941 (the date upon which the United States declared war against Germany). In this general category the proposed bill would also include claims for the loss or damage to the property of any such passenger.

(5) Losses resulting from the removal of industrial or other capital equipment in Germany which was owned by the claimant on May 8, 1945, and removed for the purpose of reparation including losses from any destruction of property in connection with such removal.

Within the limits of the categories of claims provided for in the proposed bill, except with respect to death or personal injury claims, provision is made for the recognition of claims based upon assignments to the claimant of the rights or interests in lost or damaged property or property that was subject to reparation removal.

Recognition of claims of stockholders or the direct or indirect owners of any other proprietary interest in a corporation or other entity, under the proposed bill would be conditioned upon 25 percent ownership, direct or indirect, of such interest at all times between the date of loss and the date of filing claim, by United States citizens or nationals. Each award under this type of claim would be in an amount equal to the respective percentage interest of each claimant in the total corporate ownership. In other words if one-half of the stock of a corporation were owned by five persons, each having a one-tenth ownership of the total stock and the total loss was $1 million, such individuals collectively would be entitled to one-half the loss and each claimant to one-fifth of such one-half or $100,000.

Payment of awards certified to the Secretary of the Treasury by the Foreign Claims Settlement Commission would be made in the following order of priority:

(1) Death and disability claims would be paid in the full amount of each award certified.

(2) Payments of up to $1,000 would then be made on awards certified for all other claims. Thus, if the award is for $1,000 or less the full amount certified would be paid.

(3) Thereafter, payments would be made on the unpaid principal of awards in equal amounts on each award or in the total amount of the remaining unpaid principal amount, whichever is less. The total payments under priorities (2) and (3) on any single award would not exceed $10,000 under the bill.

(4) Within the limits of any remaining funds available for payment of awards and after satisfying the requirements of priorities 1, 2, and 3 in that order, any remaining unpaid principal of an award would be paid on a prorated basis. If the funds remaining available for payment of awards, for example, amounted to 10 percent of the aggregate of such unpaid awards, each such unpaid award could be paid to the extent of 10 percent of the unpaid balance of such award.

Eligible claimants in the case of natural persons are required to be nationals of the United States on the date of the loss for which a claim is filed and continuously thereafter until the date of filing such claim. In the case of a person who may have lost United States citizenship through marriage to a citizen or subject of a foreign country, such person would be an eligible claimant if citizenship is reacquired prior to the date of enactment of the proposed bill, and if such person would have been a national of the United States at all times on or after the date of such loss if such marriage had not taken place. A national of the United States is defined as any person who is a citizen of the United States or who owes permanent allegiance to the United States. Aliens are expressly excluded from such definition.

Eligible claimants in the case of corporations or other business entities, under the proposed bill, are required to have been incorporated or otherwise organized under the laws of the United States or of any State or Territory thereof or the District of Columbia on the date of the loss, damage, destruction, or removal of its property, and not reincorporated or otherwise reorganized under any other laws in the period beginning with the date of the loss and ending with the date of filing claim. In addition the proposed bill requires as a condition of eligibility for such corporations or business entities that at least 50 percent of the outstanding capital stock or other proprietary interest in such entity was owned directly or indirectly by natural persons who could qualify as eligible claimants as described in the preceding paragraph.

These provisions of eligibility follow the traditional and generally accepted principle of international law relating to the nationality of claimants asserting claims against governments other than their own. It is believed a strict compliance with the eligibility requirements established by international law is essential since, in theory, the claims are to be paid from the proceeds of vested German assets that have been vested as reparation.

In addition to the foregoing major provisions of the proposed bill certain necessary collateral provisions are included relating to the claims-filing period, limitation of attorneys' fees, deduction for administrative expenses, and similar administrative matters.

These are more particularly described in the following section-by-section analysis of this part of the proposed bill.

Section 5 amends the War Claims Act of 1948, as amended, by designating such act as title I.

Section 6 amends new title I by changing the word "act" to "title" wherever the word "act" appears.

Section 7 further amends the War Claims Act of 1948, as amended, by adding at the end thereof the following proposed title II containing sections No. 201 through 220. These sections provide as follows:

Section 201 contains definition which would require that the loss, damage, destruction, or removal for which compensation is claimed shall have occurred within the territorial limits of Albania, Austria, Czechoslovakia, Germany, Greece, Poland, and Yugoslavia as those limits existed in continental Europe on December 1, 1937. These countries are included since no provision has been made or is likely to be made for the payment of American war claims arising in these areas. In addition this section defines the term "Commission" to mean the Foreign Claims Settlement Commission of the United States.

Section 202 creates in the Treasury of the United States a fund to be known as the German Claims Fund and directs the Secretary of the Treasury to cover into this fund $100 million from the moneys to be paid to the United States by the Federal Republic of Germany under the agreement dated February 27, 1953, settling the United States claim against Germany for postwar economic assistance. In addition this section requires the deduction from such fund of an amount equal to 5 percent thereof as reimbursement to the United States for expenses incurred by the Commission and the Treasury Department in the administration of the claims program subsequently authorized.

Section 203 contains the basic authorization to the Commission for the receipt and settlement of five categories of claims which have been previously described in the summary of the major provisions of the bill.

Section 204 specifically excludes certain items of personal property, including tangible property, from the types of property the loss, damage, destruction or removal of which forms the subject matter of any claims authorized under section 203. Section 204 further provides that in determining the amount of any award credit shall be given for the amount which any claimant has received or is entitled to receive from any source on account of the same loss, damage, destruction or removal, thus preventing double benefits.

Section 205 relates to the eligibility of natural persons and corporations or business entitles as claimants under proposed title II. The provisions of these sections have heretofore been described in more detail.

Section 206 relates to claims based upon proprietary or other interests in corporations or business entities. These provisions have been heretofore summarized and need not be repeated.

Section 207 requires the Commission to give public notice in the Federal Register within 60 days after enactment of the proposed bill or within 60 days after enactment of legislation making appropriation for administrative expenses, of the time limit for filing claims, and permits a maximum of 18 months after such publication within which claims may be filed.

Section 208 restricts recoveries under any claim which accrued to a national of the United States and purchased by another national of the United States to the amount of the actual consideration last paid for such claim prior to January 1, 1953. In other words, this section is designed to prevent unconscionable gains as a result of purchases motivated by this legislation.

Section 209 requires the certification of claims to the Secretary of the Treasury for payment.

Section 210 requires all awards to be paid from the German claims fund and permanently appropriates the money in such fund for the making of payments on all certified awards.

Section 211, subsection (a), sets forth the order in which awards shall be paid by the Secretary of the Treasury. The provisions of this section have been heretofore described in the summary of the proposed bill and need not be repeated here.

Subsection (b) requires payments and applications for such payments on certified awards to be made in accordance with regulations of the Secretary of the Treasury.

Subsection (c) provides that the term "award" shall mean the aggregate of all awards certified in favor of the same claimant

except awards made with respect to death or disability claims where the basis of the claim would not consist of a series of losses by the same claimant.

Subsection (d) authorizes the issuance of a consolidated award in favor of several claimants having an interest in the subject matter of the claim and provides that such awards shall indicate the respective interests of such claimants therein. In other words, for example, where the original owner of destroyed property, who would have been an eligible claimant, dies either before or after filing a claim, the heirs of such deceased original owner would be entitled to a consolidated award based upon such loss to the extent of their respective fractional interests therein.

Subsection (e) expressly authorizes the Secretary of the Treasury to create a reserve for the payment of certified awards and to defer payment thereof if such deferment is necessary or desirable and thereupon to make payments on account of all other awards. In other words, this provision is designed to prevent payments under later priorities from being delayed because of legal problems or other difficulties arising in connection with payments under awards having an earlier priority. For example, payment of an award may become impossible to make at a particular time because of litigation among survivors of an award holder or possibly because of corporate dissolution. Under these circumstances the payment of such award might be delayed for several years. Under this provision, meanwhile, a reserve could be set up in an amount sufficient to cover such an award and the Secretary could thereupon proceed with payment of awards having a later priority.

Section 212 provides that the payment of any award unless in the full amount of the claim shall not divest the claimant, or the United States in his behalf, of the right to assert a claim against any foreign government for the unpaid balance of his claim filed with the Commission.

Section 213 provides that the decisions of the Commission in the settlement of claims shall be final and conclusive without recourse to review in any court. It contains, further, the usual provision authorizing the Comptroller General to allow credit in the accounts of any certifying or disbursing officer for payments in accordance with the decisions of the Commission.

Section 214 authorizes appropriations by the Congress for necessary funds with which to administer the program.

Section 215 limits the fees of attorneys or others acting in behalf of any claimant in connection with any claim filed with the Commission to a maximum of 10 percent of the total amount paid pursuant to a certified award and sets forth certain criminal penalties for violation of this provision. This provision represents the accepted policy of limiting such fees in connection with claims and other services in matters involving agencies of the Government of the United States.

Section 216 authorizes payments under certified awards to the legal representative of any deceased person or persons under legal disability except where such payments will not exceed $1,000 and there is no qualified executor or administrator. In such cases the Comptroller General would be authorized to determine who is entitled to such payment. In other words, where the payment does not exceed $1,000 the expense of obtaining the appointment of administrators or guardians or of probating a will will not be required.

Section 217 prevents payments to any persons who collaborated with the enemy in World War II.

Section 218 incorporates certain definition and administrative provisions contained in the War Claims Act of 1948, as amended, making such provisions applicable to the administration of the German claims program. These provisions relate to rule-making authority, notice of the claims filing period, hearings, subpena powers and related administrative matters.

Section 219 requires the completion of the German claims program within 5 years after the enactment of legislation making appropriations to the Commission for administrative expenses and provides that nothing in the provisions with respect to such program shall be construed to limit the life of the Commission or its authority to act with respect to other claims programs.

Section 220 directs the Secretary of State to make available to the Commission records and documents required by the Commission in the settlement of the claims authorized under proposed title II.

Section 8 of the proposed bill is a severability provision.

Masaryk Memorial Dedication

EXTENSION OF REMARKS
OF

HON. ROMAN L. HRUSKA

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 8, 1955

Mr. HRUSKA. Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD an address delivered by me in Chicago, Ill., on May 29, 1955. The occasion was the dedication of the Thomas G. Masaryk Memorial, which is located on the Midway near the University of Chicago campus.

The dedication was under the joint auspices of numerous patriotic, religious, fraternal, and civic organizations, whose membership is composed chiefly of Americans of Czechoslovak birth or descent.

It was a splendid demonstration of unity and harmony.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. ROMAN L. HRUSKA, OF NEBRASKA, AT MASARYK MEMORIAL DEDICATION, CHICAGO, ILL., MAY 29, 1955

This day is destined to remain for many years as an important milestone in the lives of hundreds of thousands of Americans of Czechoslovakian descent. Many are with us here in body, all are here in spirit to honor the memory of one of the truly great men of our century. This day has similar import for all Americans for we are here to honor not a nationalist nor the patriot of a single country, but a world renowned figure of deep meaning to all humanity. We are here to dedicate formally this splendid tribute in granite and bronze, erected in the memory of Thomas Garrigue Masaryk, whose greatness far outreaches the boundaries of his own beloved Czechoslovakia.

Masaryk has a permanent place in the hearts of men everywhere to whom the ideals of democracy are more than just mere political catch phrases. One effective way to evaluate fully his meaning and his devotion to the cause of the common man is to see in his personality and life something of the qualities of great Americans who worked, lived and fought for human liberties through the past 9 score years of our own Nation's history.

The names of Masaryk and George Washington are often linked. Each is justly called father of his country. Anyone familiar with Masaryk's devotion to the concept of the utter need for dignity and integrity of the individual man, is struck immediately with the similarity between Thomas Masaryk and Thomas Jefferson, the ideological father of the American Republic. It was Abraham Lincoln who carried further the ideals of pure brotherhood and who fought against dissension and cleavages of the American Union. It was Masaryk who carried on similar battles in his own Czechoslovakia—4 scores of years after Lincoln's untimely death. And finally there are Masaryk and Wilson, both dreamers of a better, peaceful world; both advocates and supporters of international cooperation designed to bring about peace and good will among men the world over.

Viewed in this way, it is no wonder that we see in Masaryk more than just the founder of the Czechoslovak Republic and its first president during the hesitant years following World War I. We see him as a true world figure, as one of the rare occurrences of a century when a really outstanding man rises on the crest of world history and plays his role nobly, honorably and to a successful conclusion. This is no doubt why a famous world author, when once asked who should be chosen as the head of the United States of Europe, answered without a moment's hesitancy, that only Thomas G. Masaryk of all the men of Europe could fill such a lofty position.

Masaryk had a great love for America. This love and his affinity with its ideals were based not only on book learning but upon personal contact and observation as well. His American wife was a tremendous influence and inspiration in his life. Some 50 years ago, he lectured here at the University of Chicago. In the early days of May 1918, after returning from Siberia where he inspired his legionnaires in their courageous efforts, he came to this great city of Chicago to receive truly unforgettable acclaim.

Then occurred a highly significant event in his life. From Chicago he went directly to Gettysburg to visit its famous memorial battlefield. During his uninterrupted study and meditation, much of it while strolling along the silent paths of that sacred ground, Masaryk rounded out his thoughts, reevaluated the world situation, and formulated his historical message to Woodrow Wilson wherein he stressed the importance of Czechoslovakia's independence to the needs of world history then unfolding.

During this stay, Masaryk made the acquaintance of a local minister who was greatly impressed by the appearance, personality and thoughts of this lonely stranger gathering strength and resolve from the hallowed soil of Gettysburg. In appreciation of his sympathy for Masaryk, the minister gave him a souvenir—an old cannonball, taken from the battlefield there.

This cannonball Masaryk brought with him to Prague and treasured it always as a symbol and reminder of the insight which he gained at Gettysburg into the essence of the American proposition and of the great possibilities which that essence possessed for infusion into the lifestream of his own beloved Czechoslovakia.

What is it that he learned at Gettysburg? What was the deep truth and the inspiration which he grasped there? We can best tell that from his message of welcome delivered to a delegation of American Legionnaires at the Independence Day celebration July 4, 1919, at the Old Castle in Prague. Here are his words:

"The entire battlefield at Gettysburg is but a museum of monuments. Not only every officer but every single private who fought and fell there is remembered here, either by a headstone or by his name engraved on a joint monument. It was there that I fully realized the profound foundation of the American democracy, yes democracy in the

Army too, a democracy which remembers not only its generals, but all those who have lost their lives in defense of man's liberties. And when later I read Lincoln's immortal words, engraved in steel, that the Government of the people, by the people and for the people shall not perish from this earth, I was deeply moved and fully understood the meaning of American democracy. I say American democracy because there are as many forms of democracy as there are states and nations. For myself, I feel nearest to and accept the principles of American democracy. At this time I can declare that these principles always were, are now and ever shall be the guiding principles of the political aspect of my life, because they are near to our nation, and because our people accept them for their own, and will ever be united by them with America, united in this spirit of freedom and democracy."

Masaryk never wavered from this belief. He clung to it to his dying day. During all those years, the old cannonball from Gettysburg occupied a place on his writing desk as a steadfast reminder and memento of the deep, stirring, emotional experience at that memorial battlefield in Pennsylvania.

This is but one of many instances which clearly show how close Masaryk was to the spirit and soul of America.

It is highly fitting that this historical dedication be held in honor of this great champion of the rights and aspirations of individual man. We honor him as one to whom biographers and writers have referred as "the finest intellect of the century." We honor him as the philosopher who became a statesman in spite of himself, as the father of a state who was also its simplest citizen, and as an unchallengeably firm democrat who believed in the rule of tolerance. It is especially fitting that this memorial is being dedicated so close to the University of Chicago where 50 years ago Professor Masaryk delivered his first series of lectures on the problems of the small nations.

But let us note that at this same time there goes on behind the Iron Curtain a long and sustained program in which his memory is being vilified, maligned, and smeared by the Communists. Recently in Masaryk's own city of Prague there was unveiled a monument to Stalin the Conqueror, in further evidence of the uneasy anxiety of the powers that be to drive the memory of Masaryk from the hearts and minds of his faithful people.

Ladies and gentlemen, knowing history and human nature as we do, knowing the mind and determination of the Czechoslovakian people for what they are, we can state unequivocally our faith and confidence that no monuments like that of Stalin, no suppression, no oppression, no amount of slander and vituperation cast in Masaryk's direction will ever change or conquer the people of this brave nation.

These people will not accept the Communist credo of hate which is now busy trying to destroy all that is noble, fine, and lofty in man. Their inborn steadfastness and loyalty, developed through the centuries, will not change over night or in a few short years.

Only a few short weeks ago, after a decade of painstaking, torturous effort, the Austrian Treaty was signed. Under its terms, the Soviet will recede from its post World War II high watermark for the first time. May it be the first of similar additional retreats. Under the leadership of President Eisenhower and Secretary of State Dulles there have been other events of great meaning in the international field which have resulted in a new and optimistic trend for easing of tensions and toward real peace. This gives rise to renewed hope that restoration of liberty and freedom in Masaryk's native land will not be far off. Constant and renewed demand is in order for free and fair elections in the small nations still held in bondage, including Czechoslovakia, so that the great day will be hastened. Every suitable and legitimate avenue should be explored and used to the utmost in the incessant search for peace so that the President liberator's dreams for his fellow countrymen will once again come to full fruition.

Masaryk's own words inscribed at the base of this memorial well express an eternal truth which no Communist regime can eradicate, "Jesus, not Caesar." It is not blood, bestiality, and oppression which will rule the world, but rather love, brotherhood, and humanity. Let us all envision and pray for that better, peaceful world, the kind of world Masaryk believed in, worked for, and dreamed about. It is the kind of world in which the philosophers and the wise shall be as kings and yet as the simplest of citizens, and in which men like Thomas G. Masaryk will be better understood and looked upon with awe and reverence.

It is in this spirit that we dedicate this memorial.

Appropriations for Maritime Activities

EXTENSION OF REMARKS
OF
HON. JOHN MARSHALL BUTLER
OF MARYLAND
IN THE SENATE OF THE UNITED STATES
Wednesday, June 8, 1955

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement outlining my views with respect to current appropriations for various maritime activities of the Federal Government, which I made before the Commerce Subcommittee of the Senate Committee on Appropriations on June 4, 1955.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

Mr. Chairman, I deeply appreciate your kindness in making available to me this opportunity to express my opinions on appropriations for various maritime activities of the Federal Government. These opinions are fortified by detailed considerations and intense studies by myself, not only as a member of the Senate Committee on Interstate and Foreign Commerce, but as chairman, last year, of the Subcommittee on Water Transportation. I shall be brief and to the point.

It seems to me that the time has come for the Congress to cease its irresolute pose in regard to the need for an American merchant marine.

Long ago, in 1920 and 1928, again in 1936 and 1946, and on numerous other occasions Congress has affirmed and reaffirmed as a national policy, that there must be maintained a privately owned merchant marine adequate to the needs of peace or war.

Yet there is always much hemming and hawing, whenever the question of financial implementation of that national merchant marine policy arises.

Our military leaders are unanimous in declaring that American shipping is an indispensable arm of defense in event of war. The Department of Commerce, after a most thorough study of all aspects of our maritime problems, proclaims that the national policy with regard to shipping is essentially sound, and enunciates certain reasonable conclusions as to what is reasonably necessary to assure establishment and maintenance of the prescribed adequate merchant marine.

Yet each year, again and again, there are those in the Congress who refuse to face squarely the obligations imposed by the national maritime policy. The Commerce appropriations measure for fiscal 1956 is a typical instance of congressional backing and filling in this respect.

The House bill as transmitted to the Senate might justly be termed an irresponsible bill, that ignores not only the Nation's contractual obligations toward the American shipping industry, but turns its back likewise on sound policies of preparedness, an action that could result in incalculable harm should the Communist attack, so long feared, actually become a reality.

By eliminating $25 million from the budget figure for payment of operating subsidies to the shipping lines, the House has placed this Nation in the position of defaulting on its obligations. The Maritime Administration, acting under authority given by the Congress, agreed to pay these subsidies to the lines, to enable them to operate in the face of competition by foreign shipping whose lower wage and other costs give them an enormous competitive advantage. Without these operating subsidies, our shipping is confronted by even bleaker times. We have told them to continue operating—that we would help to the extent of the operating differential in costs. And now we are in the position of "welshing" on our promises—a position which I am certain you, the members of the Appropriations Committee, would not sanction.

In reducing the ship construction funds from $102,800,000 to $64,700,000, the House has uttered an emphatic—but I believe thoroughly unwise—"No" to provisions for the construction of prototype cargo vessels and tankers that would prevent, in the event of further war, another fiasco like the Liberty-ship program of World War II.

When emergency strikes, there is no time for planning the types of cargo ships and tankers that would be most useful to the military. We had no plans for such construction in World War II and, such was the need for haste, we had to settle for the slow Liberty ships that were outmoded before construction, and have been of little use since.

The prototype ships for which funds were eliminated by the House are intended to serve a most strategic purpose—they are to be the models upon which a construction program, to meet any future emergency, could be formulated. If constructed now, and thoroughly tested in actual use, they would save valuable time and probably millions or billions of dollars in any future war.

These penny-wise, pound-foolish cuts should be restored in the interest of our own self-respect, as well as in the interest of national security. We suffered the agonies of exorbitant costs in World Wars I and II for lack of forethought in the matter of ship planning. We certainly should not make that same mistake a third time.

Thank you so much for your courtesy. I fervently hope that your subcommittee will recommend the restoration of these funds.

Statement by Hon. Herbert H. Lehman, of New York, Before Senate Subcommittee on Refugees, Escapees, and Expellees

EXTENSION OF REMARKS
OF
HON. HERBERT H. LEHMAN
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, June 8, 1955

Mr. LEHMAN. Mr. President, I ask unanimous consent that a statement made this morning by me before the

Senate Subcommittee on Refugees, Escapees, and Expellees be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HERBERT H. LEHMAN, OF NEW YORK, BEFORE THE SENATE SUBCOMMITTEE ON REFUGEES AND ESCAPEES IN SUPPORT OF S. 1794, AMENDMENTS TO THE REFUGEE RELIEF ACT OF 1953

Mr. Chairman, I am extremely pleased to appear before this subcommittee on the critical matter now pending before you, namely the question of amending the Refugee Relief Act of 1953.

As I understand it, the hearings today and tomorrow are to be devoted primarily to S. 1794, the bill introduced by myself in association with Senators HUMPHREY, KEFAUVER, and DOUGLAS. But there is also pending before this subcommittee S. 2113, introduced by Senator WATKINS and others, consisting of the proposals submitted by President Eisenhower. There has also been introduced within the past 2 days a bill by the chairman of this subcommittee, S. 2149.

Mr. Chairman, I have not had the opportunity, or the time, to study the bill you introduced, the Langer bill. I am sure that it contains constructive proposals. However, not having been able to study it, I shall direct my remarks today to my own bill, S. 1794, and the Watkins bill, S. 2113.

Although I am well aware of the fact that these hearings are on S. 1794, I am sure the subcommittee would want me to include reference to S. 2113 also and to compare the 2 bills. If I had the time to study it, I would have liked to make detailed reference to the Langer bill as well.

Mr. Chairman, I know of your personal interest—and I am sure of all the members of this subcommittee—in the subject matter at hand. This subcommittee has conducted hearings in the recent past on the manner in which the Refugee Relief Act and the refugee relief program have been administered. You have heard a number of witnesses and have compiled a most useful record.

I am sure it is plain to you—as it is plain to the majority of the American people—that the refugee relief program, hopefully inaugurated with the passage of the Refugee Relief Act in the summer of 1953, has gone very badly. In my judgment, it has been a failure. It has brought heartbreak and disappointments to thousands and even hundreds of thousands. This program has floundered on the rocks of administrative red tape, of administrative obsession with so-called security, and of primary defects in the law itself.

Almost 2 years have gone by since the Refugee Relief Act was approved by this Congress and signed by the President. In those 2 years, only a small percentage of the authorized number of 209,000 refugees and escapees have been admitted to the United States. Under this act, which was passed for the primary purpose of admitting refugees and escapees from behind the Iron Curtain, only a handful—some say about 1,000—the official figure is about 6,000—of actual refugees and escapees have received visas for entry into the United States.

This discrepancy in figures is due to the fact that some of these refugees and escapees are also relatives of persons already legally resident in the United States, including citizens. Under the terms of the law, it is much easier for relatives to enter the United States than for refugees and escapees who have no relatives. I am heartily in favor of admitting relatives of American citizens and of permanently resident aliens into this country, but that isn't what we set out to do when we passed the Refugee Relief Act. We told the world that we were going to do a great and humanitarian act. We were going to do our part to provide haven and asylum for those who had fled and might yet flee from behind the Iron Curtain, and for those who constituted the flotsam and jetsam of war and political upheaval in the Old World.

We were going to receive a fair number of these into America.

But the record shows that we haven't. We have failed. Shame has been cast upon the prestige of the United States. While exhorting people from behind the Iron Curtain to take flight from tyranny, we have turned our backs upon them, once they have escaped. We have herded them into concentration camps in Western Germany, Austria, and Italy. There they live, I am told, under the most incredible conditions of hardship—behind barbed-wire fences—not so very much different from the conditions from which they fled.

As far as coming to the United States is concerned, we tell them we are sorry, but the refugee-relief program has such high standards of security and eligibility that they can't come in. We have closed the door in their faces.

I have heard accounts of what goes on in those refugee camps, how the individuals and their families, wives, and children live and subsist. I hope some of the witnesses who appear before this committee, in the course of these hearings, will tell you what they have seen, so that your heart may be wrenched, as mine was.

At this point, Mr. Chairman, I should like to read from a bulletin sent out by the American Friends Service Committee, the great humanitarian voluntary agency of the Quakers, reporting on some of the conditions in the refugee camps in Germany. I should like to quote an excerpt from a report submitted by a Miss Gwen Gardner, a Friends Service Committee field worker, who has been working among and with these refugees, trying to find jobs for them in Germany, while they are waiting for permission to emigrate some place—any place.

I am quoting from the report by Miss Gardner:

"Those of you who are cudgeling your consciences because you wonder if we ought to move DP's who prefer to stay where they are, come with us and visit Landshut. We'll show you things that will tear your heart and put your doubts to rest. Perhaps, as on my second visit with Doris Borrusch, the men will mob us in the dark corridor. They've got wind of our purpose. There is a man with an amputated arm. 'Aren't you the American Quakers finding jobs for people? Look, I'm a painter, too. Can't you get me a job?' And the tall thin man with pleading brown eyes: 'I'm a cook. I've worked with the Americans * * *.' And the burly man with the working overalls: 'I'm a metal worker * * *. You said you wanted metal workers. I'm 53, but I'm healthy. I can work.' But the whole camp is coming. There are rows of men advancing down the corridor. It's the same in the rooms. This gray-haired, square-built, honest-looking man follows us. 'I've got a trade. I'm a carpenter. I want work, too. I'm strong. I'm 55. But I'm stronger than that young man. He's sick. Don't help the young ones * * *; they can get work. The employers take them. It's we older men who need your help. We'd work if they'd let us. Look at that chap. He's a welder. He's strong. He's fit. He doesn't drink. He wants to work. But he's nearly 60. Help him to get out of here.'

"Two young men, both too slightly built to be suitable for the iron foundry that Doris Borrusch has come to offer, pursue us out of the room after we've filled in the questionnaire and seen their papers. 'Please get us out of here. Please help us. Don't leave us. We'll rot if we have to stay here,' says the one who has had a 2 months' prison sentence for fighting.

"We have 3 jobs to offer among 400 men. Which shall we choose? Whom must we reject? The ones who need our help most are the ones with handicaps, the ones who are sliding down. But the employers don't see it that way.

"Herr Marton, who has been filling in forms and interrogating since 7 a. m., looks tired and drawn, but he looks at me with a smile as we pack up our day's work as it gets dark, and says: 'I'm glad you've given me this to do. It's very worthwhile work. I don't think we shall do it in vain. We've got to get these people out of here. * * * Some of them can be saved.' "

There is more, much more to this report, but I am not going to read any more. I wanted only to indicate the nature of our obligation * * * and the enormity of our failure thus far to contribute significantly to its solution.

Oh, Mr. Chairman, descriptions like this one should haunt our dreams and bedevil our consciences, until we do something about it.

Thanks in part—in very large part—to the hearings held by this subcommittee on the administration of the refugee relief program some weeks ago, which in turn were largely inspired by the Corsi incident—and I hope Mr. Corsi is going to testify on the legislative proposals now pending before you—national attention was focused on the failure of the Refugee Relief Program.

As a result—and belatedly, if I must say so—President Eisenhower, just 2 weeks ago, sent a message to the Congress proposing certain amendments to the Refugee Relief Act. Even he admitted that "the purposes of the act are not being achieved as swiftly as we had all hoped." President Eisenhower said further in his message that "a number of the provisions of the act require amendment, if the act's objectives are to be fully achieved."

Mr. Chairman, I and other Senators, including members of this committee and Members of the House of Representatives, have been talking about the failure of this program for a long time. Regularly, for the last 18 months, we have been making speeches on the floor of Congress and elsewhere, warning against the collapse of the refugee program, decrying its frustration and urging its rescue, both by administrative improvement and by amendments to the law. Our voices were not much heeded in the past but now, at last, the President of the United States has taken cognizance of the situation—he has recognized it—and has proposed to the Congress a set of amendments to the Refugee Relief Act. He has also pledged that changes would be made—some of them have possibly already been made—in the administration of the act.

Let me say at this point that the amendments proposed by the President are, for the most part, sound ones. Some of them were proposed by Representative WALTER in the House early this year, and some by Representative CELLER. Other proposals for changes in the law, as contained in the President's message, are new and reflect both the experience of the administrators of this act, and a newborn anxiety on their part to make this program work. They know that they are going to be held to account before the bar of public opinion.

In any event, the President's proposals have been submitted to Congress and they have been introduced as S. 2113 by Senator WATKINS and others. The Watkins bill was introduced on May 31, just a week ago.

I introduced my set of amendments, S. 1794, on April 25, in association with the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Tennessee [Mr. KEFAUVER], and the senior Senator from Illinois [Mr. DOUGLAS]. I shall explain in some detail the purport of our proposals.

I want to say, however, that I have no pride of authorship in the language of our bill. I would be glad to have S. 1794

amended, where appropriate, by this subcommittee, on the basis of either the President's recommendations or the Langer bill, in order that the best bill possible may be reported to the Senate and acted upon by both the Senate and the House.

I shall append to my testimony a detailed comparison between the President's proposals and those contained in S. 1794. I want to say, however, that in my judgment, the President's proposals do not go far enough in several major respects. I do not think that the Watkins bill, S. 2113, would fully accomplish what we all want to accomplish—and I am sure that the distinguished members of this subcommittee, including Mr. WATKINS, share with me a desire to make the refugee relief work. I have no doubt of that whatsoever. While the Watkins bill, in its present form, would certainly improve the act, it would not do the job altogether.

There are several provisions recommended by the President, however—and one especially—which are not included in my bill and which I think are very good indeed. I will mention one of these provisions particularly at this point.

I refer to section 3 of the Watkins bill, which amends section 4 of the Refugee Relief Act by authorizing the admission of up to 1,000 aliens who are members of family units eligible to enter the United States under the Refugee Relief Act but who would otherwise be prevented from entering on account of tuberculosis.

I think this feature of the Watkins bill is an excellent, a very humane and forward-looking one. If my bill is reported out by this committee, I hope it will be amended by adding to it section 3 of the Watkins bill. I commend the administration and Senator WATKINS for having proposed it. I will refer to the other sound feature in the Watkins bill, not covered in my bill, later on in my remarks.

Mr. Chairman, before going into further detail about my bill or S. 2113, I would like to refer to my personal interest in this general subject. I have been concerned with the problem of American policy toward immigration—toward displaced persons and refugees—for many years—indeed, since World War I. Even before I became a Government official, I took a very active part in the work of the joint distribution committee, which, as most of you know, has played an important role as a voluntary agency in arranging for the immigration and resettlement of persons of the Jewish faith who have been subjected to persecution, or who have been uprooted and displaced by war and political upheaval.

When I became a public official of New York State, I took, of course, a special interest in what the Government was doing and should be doing about the problem. New York City is the place where most aliens and immigrants arrive. We have a higher percentage of naturalized citizens and of first-generation citizens in New York than in any other State in the Union. In my judgment, this has been a major factor, perhaps the most important single factor, in the tremendous growth and development of New York State, not only in population, but in industry, commerce and individual enterprise.

I would like to say at this point that I consider New York State to be in a way the most typical State in the Union in the sense that it represents in essence one of the basic ideas which have made America great—the idea of the melting pot.

It is natural, therefore, for New York State to have a special interest in the subject before us. And New York State has such an interest, I assure you.

I would also like to recall that I served for some years as director-general of the United Nations Relief and Rehabilitation Administration—UNRRA. I was the first director-general, and in that capacity I was responsible for the program to relieve the hunger and sufferings of millions of refugees and dislocated persons during and following World War II. We set up refugee camps all over Europe and the Middle East. We fed people by the millions. We arranged for their migration to other parts of the world which were ready to receive these displaced persons.

I have seen countless thousands of refugees with my own eyes. I think I know, to some extent, what it means to be a refugee. There is nothing more heartrending and more appealing to the humanitarian instincts in all of us than the sight of a refugee camp.

So let us look at the legislation before us in human terms. It should not be just a matter of statistics, of visas issued, or aliens admitted. No; it should be a question of succoring hundreds and thousands of homeless persons—of persons who have gone through the hell of war and of displacement, of individuals who have survived slave labor camps and who have escaped from the unbelievable tyranny and indignity of Communist rule.

I would like to digress at this point from the subject of the refugee relief program and say a few words concerning our basic immigration and citizenship laws. To me the question of the refugee program is collateral to the more fundamental question of amending the McCarran-Walter Immigration and Naturalization Act. As you know, the refugee program must work within the framework of the restrictions and regulations of our basic immigration law. In my opinion, this is one of the reasons—not the only one, by any means—why the refugee program has not been more effective. I hope that we can make the refugee program work by amending it—and then get on with the major problem—that of amending our basic immigration laws.

There is one major administrative action which I believe must be taken to achieve the major purpose of the refugee program. The President and the Secretary of State can and should direct the responsible officials to turn the present cumbersome program into a "crash" program. Such a directive from the President would do a great deal to change the attitude of many of the officials connected with this program who have, until now, insisted that this legislation was merely permissive and really didn't mean that refugees had to be admitted into the United States.

Yes; some changes in administrative attitude are necessary, if this program is to be snatched from the brink of failure. It is a fact that until the recent furor over the firing of Mr. Edward Corsi no one in the administration seemed particularly concerned with the failure or success of the program.

Fortunately for our Nation, and for the refugees, Mr. Corsi had the courage to stand up and call attention to the failure of the program.

I do not know that in the last few weeks there has been an unusual flurry of activity on the part of the officials responsible for the operation of this program.

Mr. Chairman, one of the spokesmen for the administration who came before this committee some time ago and tried to explain the delays which have occurred in carrying out the operations of the Refugee Relief Act compared the processing of the applicants under the act to an automobile production line. The analogy with automobile production seems to come easily to the officials of this administration, for some reason or other.

It was explained that the slowness in issuing visas was due to the fact that it took time to establish a production line.

Mr. Chairman, I, for one, feel that this figure of speech, comparing the handling of human beings with the production of automobiles, was a most unfortunate one. Human beings are not automobiles and cannot be assembled or disassembled as such.

No, Mr. Chairman, I do not believe that there is or was any excuse for the roadblocks thrown in the way of this program by the negative attitude of those who were in charge of it. Their attitude was, in my judgment, completely unjustifiable.

I have taken note of the assurances which have recently been given me that this attitude, on the part of the administrators of this program, has changed, at least on the part of the top administrators, and that they are now determined to carry out the program in the spirit in which it was originally intended.

I am willing to accept these assurances at something less than their face value, but still to accept them and to hope for the best if the Congress decides, in its wisdom, to continue to vest the administration of this program in the same hands which have held it up to now.

Even the administrators of this program now concede that amendments are necessary to the act. A year ago they said that no amendments were necessary. Now the President proposes some amendments and those in charge of the administration of this program are urging the Congress to follow the President's recommendations. Their conversion is tardy—and has been costly to the United States. And who can say what the cost has been to the human beings who have been forced to endure so much longer the sufferings and privations which have been experienced by the refugees and escapees from behind the Iron Curtain. That cost cannot be measured. It can only be felt.

And now, Mr. Chairman, I come to the details of the legislation before us. I address myself to S. 1794, and also to the Watkins bill, S. 2113. As I said before, I have not had a chance to study the bill introduced by you, Mr. Chairman, the Langer bill, S. 2149.

Comparing S. 1794 and S. 2113, Mr. Chairman, I would say that there are several good provisions in the Watkins bill which are not included in my bill. I have already referred to one of these, namely section 3 of the Watkins bill, which authorizes the admission of 1,000 tubercular members of families otherwise eligible under the terms of the act.

There is also language in section 2 of the Watkins bill which permits members of family groups to follow rather than to accompany senior members of the family group who have been found eligible under the act and have been granted visas. Thus, under the terms of this provision, children, wives and spouses could follow later, if for one reason or another they were not ready or not yet found eligible to accompany the member of the family who has been granted a visa under this program. There is no comparable provision in my bill. I strongly urge that the bill that is reported out include such a provision.

There is also a good provision in the Watkins bill which provides that the eligibility of the applicants under the refugee relief program shall be determined solely by the consular officer and shall not be subject to review by the immigration officer. This means that the consular officer will be given the authority to decide whether the applicant fulfills all the special requirements of the Refugee Relief Act, as distinct from the general requirements of the McCarran-Walter Act. Under the present Refugee Relief Act provisions, both the consular officer and the immigration officer have separate authority to determine whether an applicant is an eligible refugee or escapee. This has resulted in much confusion, delay and contradiction between the rulings of the consular officer and the rulings of the immigration officer. I believe this is a very sound provision. There is no comparable provision in my bill.

Otherwise, and in general, Mr. Chairman, I believe my bill is broader and better in its terms, although there are a few provisions which are virtually identical in their effect. One such provision is in section 7 of my bill and section 10 of the Watkins bill, which would eliminate the present requirement of a 2-year security check on escapees and refugees—a provision which virtually defeats the whole purpose of the act and the program.

Under present law each applicant must provide documentation covering 2 years of his past life, showing everything that he has been doing during those 2 years, and that he is anti-Communist, among other things. For those who have just escaped from behind the Iron Curtain, this is an obvious impossibility in all but rare cases. Both the Watkins bill and my bill recognize this fact and both bills would repeal this requirement which is found in subsection 11 (d).

The first major difference between the two bills is in the definitions. The Watkins bill relaxes somewhat the presently unworkable definition which requires an escapee also to be a refugee, under the very strict definition in section 2 (a) of the present law. My bill would combine the two definitions and eliminate entirely the term "escapee." I provide a sample, workable definition for "refugee," which would cover both refugees and escapees.

Under my amendment the term "refugee" would include persons who are displaced from their country of birth or nationality as a result of events prior, during, or subsequent to the outbreak of World War II, and as a result of present political conditions, fear of persecution, military operations, etc., are unable to return to their natural place of abode. This would cover both refugees and escapees. There is no reason to make a distinction between refugees and escapees. Any distinction is only cumbersome and contributes to delay and confusion in interpretation. I believe in this respect my bill is preferable to the Watkins bill.

In my bill the definition of expellee—those of German descent who were forced to flee when the Communists approached—is left the same as in present law. In the Watkins bill this definition is modified somewhat—in an obscure way, in my judgment. I do not understand the reason for it.

In both bills the requirement for a valid passport is eliminated, and this is a good thing. Many refugees and escapees cannot obtain passports. They are stateless. Obviously, it is difficult for an escapee to get a passport from the officials of the country from which he has fled. This has been a great source of difficulty in the administration of the program. Both bills relax this requirement.

There is a related requirement in present law which has also been a source of frustration, confusion, and delay, and that is the requirement for a certificate of readmission to the country from which he migrates for each individual who is admitted under the refugee-relief program. This has required agreements with other countries and resulted in endless delay. Some countries will not give certificates of readmission. My bill eliminates this requirement. The Watkins bill also eliminates it, but not quite as plainly, in my judgment, as S. 1794.

S. 1794 increases the quota for refugees now residing in North Atlantic Treaty countries by 15,000 and adds Spain and north Africa to the list of countries from which such refugees are eligible to be admitted into the United States. There are a number of Yugoslav refugees in Spain and a number of refugees of assorted national origins in north Africa whom we should surely include in the refugee program. They are as needy and as deserving as the others in the same group. This change is found in section 2 of S. 1794, amending paragraph 3 of section 3 (a) of the present law.

My bill would strike out the word "ethnic" wherever it appears in the bill, except in the definition of German expellees. I believe that this is an odious term at best. It has no use and no place in those parts of the bill, other than in section 2 (c) of the act, in connection with German expellees. The term is repugnant to our national concepts. It should be eliminated. It serves no purpose but to obstruct and delay this program.

My bill would raise the age of eligible orphans from 10 to 14. There is no real reason to limit the definition of orphans to children of 10 years or under. All the responsible voluntary organizations working in this field are agreed on this fact. An orphan is just as appealing, just as desirable, and just as adaptable to the United States at the age of 14 as at the age of 10. The Watkins bill raises the age limit to 12.

It has been brought to my attention that there may be some difficulty in raising the age limit to 14 because of the requirement by regulation that persons 14 years of age or older must undergo full security clearance. Setting the age limit at 13 years would obviate this difficulty. I am sure the committee will act justly in this regard.

My bill also repeals outright section 12 of the present act, a section which sets up a completely unworkable system of priorities for the issuance of visas. As far as I can learn, nobody has been able to understand thoroughly what Congress meant by section 12. This provision has been ineffective and it has caused delay and confusion without any constructive benefits for the United States or for the program. I propose the outright elimination of this section. I think it would speed things up considerably.

The provisions of both the Watkins bill and S. 1794 are similar in their effect in the important matter of agency assurances. The present act prohibits the use of agency assurances. This has been one of the chief barriers to the orderly operation of this program. The voluntary agencies have been ready, willing, and anxious to cooperate with this program and to help make it a success, but they have been severely handicapped in doing so by the language of this act—and by the administrative interpretation of it—which has prevented the voluntary agencies from providing the assurances and from assuming the responsibility for placing these immigrants in suitable housing and jobs.

There has been very bitter feeling about this provision and I believe it should be repealed and agency assurances should be accepted. These agencies are fine, upright, and reputable organizations. They did a marvelous job with the displaced persons program. They can be trusted to perform similarly with the refugee relief program. The agency assurances worked with the displaced persons program—and they will work with the refugee relief program.

The provision covering this matter in S. 1794, namely section 6 (a) is, in my judgment, preferable to that in the Watkins bill.

Both bills have a provision relaxing present restrictions for individuals already in the United States who qualify under the terms of the Refugee Relief Act. The Watkins bill increases the number who will be so eligible from 5,000 to 10,000. I strongly approve of this increase in the number. It is not included in my bill.

Both bills relax the present requirement that an alien, to be eligible to have his status adjusted, must have entered the United States legally. I propose to eliminate that requirement, presuming that the alien has conducted himself in a proper manner while he has been in the United States, and has otherwise conformed to the requirements of admission as a legally resident alien. The Watkins bill would specifically authorize the Attorney General to waive this requirement in cases where he finds such a waiver justified. My bill would accomplish the same purpose and in a simpler way. In the case of both bills the Attorney General would be required to rule on whether the alien in question should, in fact, be considered a suitable person to have his status adjusted.

Finally, we come to two major differences—the most vital differences—between S. 1794 and the Watkins bill, S. 2113.

These two differences pertain in the first place to the administrative setup, and in the second place to the use of unused visa numbers under the program.

My bill proposes that the present provision of the law dealing with the administration of the program—a legislative monstrosity, in my judgment—be changed to make the administrator of the program responsible directly to the Secretary of State and only to him, and to free the Administrator from subservience to any bureau in the State Department.

At the present time, under the present law, it is required that the administrator be the Director of the Bureau of Security and Consular Affairs—an incredible confusion of functions. The Director of the Bureau of Security and Consular Affairs has enough to do. His is a police and review function. The administrator of the refugee program should have no other job and no other responsibility. His is a humanitarian mission, not a police function.

I strongly urge upon this subcommittee the approval of my section 10, which sets up the administrator of this program in direct line of responsibility to the Secretary of State. The President or the Secretary of State can redesignate the present administrator, if they so desire. That is their responsibility. But the administration of this program should not be tied to the Bureau of Security and Consular Affairs.

I challenge anyone who believes in sound governmental and administrative principles to justify such an association.

I don't want to interfere with the orderly progress of the program. I can see that it would require quite a readjustment to break in a new administrator in the middle of the program. But I think that this provision of my bill should be adopted. I am sure that the President of the United States will do what is necessary to keep the program going without interruption or delay. I think this change in the law will greatly accelerate the program.

Finally, Mr. President, my bill envisions, as the Watkins bill does too, the strong probability that many of the visa numbers in some of the categories established under section 4 of the present law will not be used up. I would hope this would not be true, but it is most likely to prove true. My bill would extend the life of the program until 1960 and provide that persons eligible under the act can be admitted until 1960.

My bill provides for the reallocation of unused visas among those groups which have the greatest need for visas.

In those categories under section 4 where there are long lists of applications which cannot be granted, the unused visa numbers would be distributed among the various categories in section 4 in proportion to the numbers of applications which have been filed and which have not been acted upon, due to the exhaustion of available numbers in those categories.

The Watkins bill would make these unused numbers available for a worldwide orphan pool. I do not think that such a pool would use up the unused numbers, nor do I think that this is especially the way to handle the orphan problem.

I want to point out, Mr. Chairman, that President Eisenhower, in his message to the Congress, referred to the need for a provision for the use of unused numbers. He did not recommend the worldwide orphan pool as the only solution to this problem. He suggested it merely as an example of what might

be done with the unused numbers. I refer you to the text of his message, the pertinent sentences from which I quote:

"I recommend that there be a provision for the use of unused numbers. Such unused numbers might well be used, for example, for orphans on a worldwide basis."

The Watkins provision on this subject is not necessarily the last word on this matter, even as far as the President of the United States is concerned.

Now, Mr. Chairman, I have completed my summary of the differences and similarities between the two bills. I am going to submit for the record a detailed comparison between the two bills and a detailed analysis and justification for each provision of my bill.

I ask your permission, Mr. Chairman, that these two documents appear in the record at the completion of my remarks, to be made available to all the members of this subcommittee. I will file them subsequently.

Now, Mr. Chairman, I would like for a moment in conclusion to refer to the experience we had with the displaced persons program.

When the displaced persons program was launched in 1948, there was no staff. The displaced persons program was organized as an independent governmental agency, faced with the vast problem of creating a completely new organization. But with all these handicaps, and with a law which in many aspects was even more unworkable than the present refugee law, the record of the displaced persons program in bringing refugees to our country is so far superior to that under the refugee relief program and it defies comparison.

The Displaced Persons Commission worked out many of the techniques which have been followed by the administrator under the present act. The refugee relief administrator has belatedly followed the precedent established in the displaced persons program of stimulating the organization of State commissions to aid in the resettlement of the newly arrived immigrants. Under the displaced persons program there were 36 such State commissions. I would point out that these commissions were started 1 week after the displaced persons program got underway. One year went by after the passage of the Refugee Relief Act before President Eisenhower wrote to the Governors of the States requesting similar commissions to be created.

Under the displaced persons program 4,182 orphans were brought to the United States. The Displaced Persons Commission pioneered in working out arrangements with welfare agencies in the United States and with the various European governments to expedite and safeguard the adoption of these orphans. It is my information that the experience of the Displaced Persons Commission in this field has greatly aided the orphan program under the Refugee Relief Act.

Finally, Mr. Chairman, for the record, I would like to correct a serious error which has cropped up at various times in discussions of the comparison between the displaced persons program and the refugee program. This error relates to the thoroughness of the security checks utilized by the Displaced Persons Commission. Individuals under the displaced persons program were checked by the following governmental security agencies—the FBI, the CIA, the CIC, the CID, the Provost Marshall's office of the Army, the DP investigative staff, the consul's investigative staff, and the investigative staff of the Immigration and Naturalization Service. Certainly the security program under the Refugee Relief Act could hardly be more thorough.

In light of these facts it is appalling to me that in terms of comparative length of operations under the displaced persons program and the Refugee Relief Act, 152,528 visas were issued under the displaced persons program after 20 months of operation while over a similar period, only 34,810 visas have been issued under the Refugee Relief Act.

Mr. Chairman, I hope I have not belabored this point too much. I hope I have not spent too much time reciting the past failures of the program. I had not intended to deal disproportionately with the mistakes of the past, which are, of course, irretrievable.

Now we face the problem of rescuing this program, of salvaging it, and of making the best we can of it.

I assume that this subcommittee will report out some kind of a bill. I am sure that this is your purpose. I am sure that from all the proposals that have been made, a very constructive bill can be put together. I hope this will be done by appropriate changes in S. 1794.

My purpose in appearing here, however, is not only to explain my bill, but to appeal to you to speed action on a set of amendments to revise the Refugee Relief Act in a way that will permit the refugee program to be carried forward to completion and to make it truly possible for the authorized number of refugees, escapees, and relatives to be admitted to this country.

Will Scientists Destroy the Earth?

EXTENSION OF REMARKS
OF

HON. USHER L. BURDICK

OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1955

Mr. BURDICK. Mr. Speaker, the scientists of today attribute to themselves unlimited power and insight into matters that are invisible and are trying to remake the world and undo what God has done.

God hath made everything beautiful in His time; also He has set the world in their heart, so that no man can find out the work that God maketh from the beginning to the end. I know that whatsoever God doeth, it shall be forever; nothing can be put to it, nor anything taken from it, and God doeth it, that men should fear before Him. That which hath been is now, and that which is to be hath already been.

If anyone thinks that scientists can blow up the world and destroy civilization he is attributing more power to them than they possess. He is ascribing more divine ability to these long-whiskered individuals than their Creator possessed when he peopled the earth.

We get literature here every day explaining the possibility of the complete destruction of the world by the H-bomb, invented and made by scientists.

Since Christians believe that what God has created shall ever be, that nothing can be put to it, or anything taken away from it, can we put any trust in men who say they can destroy what God has made? If the instrument that man has made can destroy what God has made, then we admit that there is no power higher than the mind of man. God is the one who gave him life and God can take it away. We see that enacted every day.

Have we come to a time in this country where we deny the power of the Almighty and say that man is just as powerful, or maybe more so?

This sort of published information is put out among the people all the time, but I do not think it is intentionally done to show the superiority of man's mind over the Divine Creator of the universe. I believe it is done to keep the people in a constant state of fear, and thus to get them to approve a further continuance of our exploits in foreign countries, which have already caused us to expend over $800 billion since our first departure from the advice of Washington and other great men who founded this Government.

One of the astonishing things done here in Congress every year is this: George Washington's Address is read to us by some Member who can dramatically present that address. We listen to it with great satisfaction and approval, yet before another day passes Congress is right back appropriating billions to do just what we were admonished not to do.

Some of these days—I do not predict when—there will be a reversal of this sentiment, and we will get back on the proper course which we followed for 160 years, and which enabled us to build upon these shores the best form of government yet devised by man. Our example has been the guiding light of people everywhere, and at least one spot on the earth's surface should be maintained where liberty and freedom of the individual can be enjoyed. Further cripple this Nation with senseless expenditures and we are endangering the future of this great Government.

I, for one, am not going to sit idly by and see this experiment in government buried in the dust of history as a once grand and glorious institution, nor am I willing to transfer my faith from the Grand Architect of the Universe and rely upon a few midget-minded scientists who have challenged the power of our Creator. This earth is here to stay, regardless of the chanting of those ignorant individuals who feel it can be blown asunder by a few gadgets invented through man-made science.

Statement by the Honorable Daniel J. Flood, of Pennsylvania, on His Bill To Increase the Annual Income Limitations Governing the Payment of Pension to Certain Veterans and Their Dependents

EXTENSION OF REMARKS
OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1955

Mr. FLOOD. Mr. Speaker, I have felt for some time that the income limitations for pensioned veterans has been restrictive and in too many cases has worked a terrible financial hardship upon the loyal and brave Americans who fought in the several conflicts in which we have found ourselves in comparatively recent history.

In the instances where the widow is the recipient of the pension, the financial burden imposed upon her by archaic income limitations is also of a severe nature.

I ask this session of the Congress, on the grounds of humanitarian relief and a logical analysis of the present economic situation in this country, to raise the annual income limitations for certain pensioned veterans and their dependents.

Therefore, I am introducing this bill which I trust will do justice to these long-suffering veterans and their families and with the fervent hope that it will assist them in living out their lives on a higher economic and social plane.

Undesirable Literature

EXTENSION OF REMARKS
OF
HON. RICHARD H. POFF
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 8, 1955

Mr. POFF. Mr. Speaker, I most warmly commend the gentlewoman from Michigan [Miss THOMPSON] upon her authorship of the bill, H. R. 3333, a companion bill to S. 600 passed by the Senate. Those who have had the pleasure of serving with her on the Committee of the Judiciary are aware of her keen interest in this subject and the zeal with which she has worked in bringing her convictions to a fruitful climax.

Early this year, I introduced a bill, H. R. 3456, on a related phase of the same subject, and I am only too pleased to say that Miss THOMPSON's bill is better than mine. My bill provided for the establishment of a commission to study the problem and recommend legislation to cure the problem; whereas, I conceive her bill to be the very kind of legislation which I expected the commission to recommend.

Under present law, it is difficult for the Federal Government to exercise any effective form of restraint in the sale or distribution of salacious literature. Publishers and vendors have evaded postal laws and regulations by the simple expedient of transporting the publications across State lines by vehicular conveyances. Once delivered to the local newsstand or retailer, public sale of this literature and other lewd objects, including obscene statuettes, snapshots, movie films, and phonograph records, loses its interstate character and thereby becomes subject to the laws, if any, of the individual State. The Thompson bill states that whoever knowingly transports in interstate or foreign commerce for the purpose of sale or distribution any such obscene objects shall be fined not more than $5,000 or imprisoned not more than 5 years, either or both. Under this language Federal jurisdiction would attach not only when the mails are used but also when vehicular conveyances are used for transportation across State lines.

It has been well said that a Nation's literature fashions a Nation's culture. In recently modern times our young people have been swamped with a great avalanche of literary barbarism in the form of so-called comic books and natural art magazines. To my mind, there can be no question but that such literature has in a measurable degree contributed to the alarming increase in juvenile delinquency. Magazine articles and pictures glamorizing crime and horror and glorifying sex cannot help but incite the passions of our young people. The printed page and the colored picture, in the inquisitive and impressionable minds of teenagers, tend to validate and legitimize the mode of conduct they portray. According to Dr. Frederic Wertham, consulting psychiatrist of the New York Department of Hospitals, it is not so much the emotionally maladjusted child but the emotionally normal child upon whom this literature has its greatest detrimental effect. The natural curiosity, the inventive nature, and the desire for social acceptability of the adolescent boy or girl makes him or her peculiarly vulnerable to this insidious appeal.

Some of these publications not only glorify crime and inflame the passions but actually teach the techniques of immoral and criminal conduct. Testifying before a Senate committee, Dr. Wertham gave an example in the following words:

> I had no idea how one would go about stealing from a locker in Grand Central, but I have comic books which describe that in minute detail and I could go out now and do it.

Because of American abhorrence of governmental censorship, and because of the basic American concept of a free press operating in a free land for a free people, the Federal Government has never been able to deal with this problem at the publication level. Be it said to the credit of the publisher that, especially since the Congress has manifested an interest in the subject, there has been a commendable campaign of self-regulation. Publishers themselves have the initial and primary responsibility for the contents of these publications. The national distributor, of which there are 13 in America, also holds one of the key positions in the industry. By refusing to handle certain publications, these distributors can control the contents of future publications. Local newsdealers and other retailers can help to solve the problem in a similar way.

Local citizens' groups, however, are perhaps the best weapons in the fight. In the Sixth Congressional District, which I have the honor to represent, many such groups are waging aggressive campaigns. Responsible and concerned men and women from every walk of life have taken time from their busy schedules and given voluntarily and generously of their substance and effort in combating the menace. Private organizations all over the Nation have taken up the challenge. In one city, interested citizens have organized a committee on evaluation of literature. Each spring it makes a study of publications which appear on local newsstands. After the study is completed, it publishes and distributes to parents an annual index of books and magazines, listing the morality rating of each. Other organizations conduct a comic-book exchange which operates as a trading post and clearinghouse for objectionable comic books donated by children of the community.

I realize that there are many who contend that, in the interest of a free press, Congress should pass no legislation whatever on this subject; that all regulation and censorship should be voluntary; that civic and religious organizations should shoulder the burden; and that the parents should solve the whole problem by selecting the child's reading material. This sentiment is splendid and, if workable, would be sufficient without the intervention of legislation. Human nature being what it is, however, we must be not only idealistic but realistic. The Thompson bill is a realistic approach to a practical problem.

No nation is truly strong unless it is morally strong. Someone has said that "nothing in the world is great but man, and nothing in man is great but mind and soul." Accordingly, in defense of the impressionable mind of young America, the cultural heritage which is ours and the moral fabric of our society, I am proud to support the Thompson bill.

Senator John F. Kennedy

EXTENSION OF REMARKS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 8, 1955

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I am privileged to insert the following editorial which appeared in the New York Herald Tribune of Wednesday, May 25, 1955, saluting the distinguished Senator from Massachusetts, JOHN F. KENNEDY, upon his return to the Senate after a prolonged absence due to illness caused by his wartime injuries. I am sure that the entire membership of the Congress joins in the sentiments expressed in this fine tribute and wish for Senator KENNEDY a return to his usual vigorous and constructive legislative life in which he so well serves the best interests of his country and his State. The New York Herald Tribune is to be commended, too.

The editorial is as follows:

SENATOR KENNEDY RETURNS

It is a pleasure to welcome Senator JOHN F. KENNEDY, of Massachusetts, back to the United States Senate. Mr. KENNEDY has been away from his desk in Washington for 8 months, the time it took him to recuperate after an operation for an injury he received when his PT boat was rammed by a Japanese destroyer in World War II.

Senator KENNEDY is a Democrat and, teamed with Senator LEVERETT SALTONSTALL, the Massachusetts Republican, he has helped give his State vigorous and intelligent representation in the Senate. He was one of the first legislators in Washington to take a clear and unequivocal stand in favor of the St.

Lawrence Seaway; on this and other issues he has displayed characteristic forthrightness and understanding of national interests.

When he fell ill, there were some who doubted that he would be able to return to the stress and strain of Senate life. But young JACK KENNEDY comes from a bold and sturdy breed, and he is back on the job again. We join his colleagues on both sides of the Senate in greeting him warmly.

Ike's Endless Buckpassing Denounced by Schnitzler

EXTENSION OF REMARKS
OF
HON. MATTHEW M. NEELY
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, June 8, 1955

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled, "Ike's Endless Buckpassing Denounced by Schnitzler," which appeared in Labor's Daily on the 26th of May.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ATLANTIC CITY, N. J.—President Eisenhower's "endlessly buckpassing" administration was thunderously denounced here by AFL Secretary William F. Schnitzler for the polio "vaccine mess" and a dozen other "conscienceless" blows at the public welfare.

Schnitzler spoke before a banquet of the New Jersey State Federation of Labor. He set a new high for labor militancy under the GOP by charging that certain employer circles will not shrink from kidnaping and even murder.

He ticked off the Eisenhower regime as government by avoidance. He left clawmarks on Newell Brown, Mrs. Oveta Culp Hobby, and the President himself, describing the White House occupant as a man who meets questions by saying, "Don't ask me; I only live here."

"The pattern has been the same in every area," he said: "If, despite Federal inaction, constructive progress is achieved in some field, members of the official team are eager to horn in on the publicity that follows so as to foster the impression that they are in some way entitled to a share of the cerdit, as did the administration in the case of the Salk vaccine.

"If, as a result of Federal inaction, matters turn out badly, and a mess develops, the technique is to shift the blame, hide behind the slogan of States rights and the voluntary way, deny that such a development could possibly have been foreseen in Washington, and, as a last-ditch move, announce with suitable flourishes another program which does nothing more than recommit the mess back to the States and private enterprise, as the administration is now attempting to do in the case of the Salk vaccine.

"A sensible and responsible government would immediately recognize that the marketing of a vital drug cannot safely be left to the free play of the profit motive, at the expense of the Nation's children.

"The traditional principles of private enterprise—Let the buyer beware, and charge what the traffic will bear—cannot be tolerated in the distribution of a product so essential to the public health and safety."

Schnitzler declared that the welfare of the country's children rated far above the special interests of the pharmaceutical and medical lobbies.

"Unfortunately," he went on, "those lobbies have had the ear of the administration from the beginning, to the exclusion of spokesmen for consumers and the public at large.

"On April 18, shortly after the announcement of the success of the vaccine, AFL President Meany called upon the Secretary of Health, Education, and Welfare (Mrs. Hobby) to broaden the membership of her advisory group to include representatives of the religious faiths, workers, farmers, and women's organizations. * * *

DRUG INTERESTS' INFLUENCE

"Yet to this day, all of the interests involved in the marketing of the vaccine seem to have great influence with the administration—except the people.

"The result was inevitable. When a program of sorts finally emerged from the Department it was far too little and far too late."

Schnitzler compared this "bungling, confusion, and mismanagement" with the handling of the vaccine in Canada, where an effective program was ready as soon as the vaccine was released for public use.

The AFL secretary-treasurer, who came out of the bakers' union, threw some oldtime haymakers: He said:

"Recent developments have demonstrated that—contrary to the myth of managerial enlightenment expounded by the organs of business—the old-fashioned, feudal-minded type of employer is far from becoming extinct.

"The record of the Louisville & Nashville Railroad strike and other incidents in the South prove that the old doctrine of divine right still has powerful advocates in employer circles who will not shrink from kidnaping or even murder in the effort to maintain or to secure absolute control of the labor market."

He charged that the Eisenhower administration's technique is one of a perpetual rotating buckpassing which goes on until a scapegoat is finally found in some obscure hireling, who is then thrown to the wolves.

"There are other items for which we should, no doubt, be equally grateful. I am sure, for instance, that Newell Brown, whose antilabor record as employment security director in New Hampshire is well known to us, was the best nominee for wage and hour administrator that could be found in Sherman Adams' back pocket."

He found it natural that spokesmen for big business should raise a "cry of alarm" at the pending merger of the AFL and CIO.

"But the greater number of citizens who share our own basic interests and aspirations have nothing to fear," he added. "For them it holds a new hope and a brighter promise of a better tomorrow."

The Postal Pay Increase

EXTENSION OF REMARKS
OF
HON. JOHN W. HESELTON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 8, 1955

Mr. HESELTON. Mr. Speaker, on June 7, 1955, when the postal pay raise bill was before the House, I am recorded as "not voting" on rollcall No. 79. I have always been in favor of a well-deserved and fair salary increase for the postal worker and have supported the administration's recommendations on this legislation. If I had been present, I would have voted in favor of this bill and "aye" on rollcall No. 79 and would like to have the RECORD show my support of it.

Foreign Aid

EXTENSION OF REMARKS
OF
HON. CHARLES B. BROWNSON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 8, 1955

Mr. BROWNSON. Mr. Speaker, since I first came to the House of Representatives in the 82d Congress, back in 1951, I have supported foreign aid authorizations and appropriations every year except one. I have frequently voted for amendments to reduce the amount of aid to certain areas and for certain purposes, but I have supported the overall purposes of mutual security by favorable votes except in 1953 when the amount exceeded that which I felt we could afford for the program, forcing me to vote against the bill and the conference report. I cannot support an omnibus foreign aid bill again this year.

In casting these votes in previous years on behalf of my half million constituents I have carefully examined and reexamined not only these programs but my own position. I have regretted the fact that technical aid has gradually been perverted from its original concept of providing carefully trained technicians at the request of an underdeveloped country to a point where it seemed to emphasize the transfer of equipment and aid supplies. It has disturbed me to discover that frequently reports providing a clear, comprehensive and tightly written statement of the previous programs on a country by country basis were not available to the Congress as a whole. This increased immeasurably the difficulty of an individual Congressman making either a postaudit review or a careful evaluation of future needs. The fact that 34 separate agencies with a total of over 115,000 employees overseas have been engaged directly or indirectly in activities related to foreign aid has not simplified congressional consideration of this complex problem nor has the utilization of security classifications to surround many of these projects facilitated congressional scrutiny except for the privileged few on appropriate committees.

The Eisenhower administration and the 83d Congress under Republican leadership deserve credit for taking preliminary steps to bring foreign aid spending under control. The 83d Congress appropriated for fiscal years 1954 and 1955 a total of $7,313,006,816 for foreign aid under President Eisenhower's program as contrasted with the 82d Congress, which appropriated for fiscal years 1952 and 1953 a total of $13,330,851,726 under President Truman's program. This represented a saving of $6,017,844,910 in

foreign-aid appropriations during the first 2 years of the Eisenhower administration. It should, in all fairness, be pointed out that actual grants and credits in the form of actual net payments and deliveries show a total of $11,558,000,000 for 1953 and 1954 as compared to $9,020,000,000 in 1951 and 1952. This, of course, represents delivery of end items previously contracted for and possibly an expenditure of uncommitted or committed items from previous appropriations. It is significant that even now the Foreign Operations Administration has about $8,728,000,000 in previous authorizations and appropriations left over which it, or its successor, could spend next year even if no appropriations were made in this session.

So complex is the present organization and so diverse the commitments for foreign aid that no two sources agree exactly on the overall carryovers from previous appropriations for the various agencies. The Hoover Commission task force currently estimates that there will be $7,900,000,000 in unexpended balances available on June 30 of this year. In addition, they note, there was available as of December 31, 1954, in foreign currencies the equivalent of $973 million in counterpart funds, some of which will remain as of June 30, 1955. I find myself in agreement with the Hoover Commission that it is time to ascertain how much of these unexpended funds are committed by definite contractual obligations as of June 30, 1955, with view to finding whether these unexpended appropriations do not permit a substantial reduction of cash appropriations for the fiscal year 1956.

Since the end of World War II there have been many agencies charged with responsibility for economic and military aid and there have been many different terminal dates suggested for such worldwide assistance programs. Congress determined in the Mutual Security Act of 1954 that the Foreign Operations Administration in particular should be ended as an independent agency on June 30, 1955. I suggest that the omnibus concept of mutual security appropriations be allowed to die with it and be replaced by a realistic country by country authorization and appropriation. This is not an untried idea. Our concept of foreign aid was born on a country by country basis back in 1947 when the British Ambassador informed the Secretary of State that Great Britain was no longer able to subsidize Greece and Turkey at a time when the Greek Government was fighting a Communist-led rebellion while Russia was threatening Turkey. The 80th Congress passed the Greek-Turkey aid program. It was a specific program designed to help two specific countries solve specific problems. It worked.

In connection with that specific program, President Truman told the Congress it was American policy, "to help free peoples maintain their free institutions and national integrity against aggressive movements that seek to impose upon them totalitarian regimes." This loosely formulated policy statement has been cited ever since as authority for the grand assortment of worldwide projects lumped together as mutual security. It started with $400 million to Greece and Turkey. To date the military and economic assistance given by the United States to foreign countries since the end of World War II, including both ECA and MSA totals $46,847,000,000 through fiscal year 1954 with some $4,300,000,000 more to be spent in accordance with the 1955 budget. The Marshall plan was sold to Congress as a worldwide 4-year plan to make non-Soviet Europe self-supporting again. I say, after 8 years, the time is up, at least for worldwide omnibus programs. Where individual countries request, merit, and justify aid let it be appropriated in that manner, not as a worldwide package deal, take it or leave it. Careful consideration to several bills, each providing aid tailored to the specific needs of an ally requesting our assistance might well be substituted for the more expansive and more expensive omnibus bills which reportedly caused economist C. Hartley Grattan to write:

> It seems to me that we are getting more foggy and evasive about the kind of reality we are facing every day that passes. We never quite say what we are doing, or what is being done to us, for fear apparently that if we begin giving things their right names they will really and truly scare us to death.

By and large the economy of war-torn Europe has been rebuilt to levels far above those of pre-war days. Our attention has now been turned to the vast and eternal problems of Asia. Here, many sound thinkers abroad and at home urge us to program in terms of individual Asiatic countries and their problems rather than of Asia as an homogenous whole. Only 3 weeks ago, meeting in Simla, India, representatives of 13 Asian countries who met to discuss utilization of a $200 million regional aid fund proposed by President Eisenhower, are understood to have welcomed the prospect of these additional funds but only if distributed to individual Asian countries. The delegates were subcabinet officials of the Asian nations involved. United States Foreign Operations Administrator Harold Stassen visited Asia earlier this year and said Asians must decide for themselves how to use the money. As far as I am concerned, they have now decided.

I am bitterly disappointed that our own national budget is not yet in balance. If we cannot balance the budget in this era of Eisenhower peace and prosperity, when will we ever start to pay our own way and stop living off the future earnings of our children. I am one who did not find it amusing or reassuring when Assistant Secretary of the Treasury Robert B. Blyth said recently in Atlantic City that our national debt has its constructive side, which includes the billions in public debt interest paid each year to individuals, banks, insurance companies, and others on the Government bonds and securities they hold. "These interest dollars we are paying out are helping to provide jobs," Blyth said. Evidently the man does not realize that money invested in industry does the same thing without saddling the taxpayer with the interest rates and the obligation.

Because I believe in a balanced budget, and because I believe that, at a time most of our allies are either reducing taxes or refusing to collect taxes from their elite, the American taxpayer merits tax reductions, I cannot again vote to support a world-wide omnibus foreign-aid package. I could and would vote to appropriate funds to carry out our obligations in such areas as Korea, Spain, and Turkey on an individual country basis. I cannot include such other countries as India and Yugoslavia in the same package any more than I can vote aid to areas which were thrown in largely to round out the bundle.

I am disappointed that the Foreign Operations Administration will not be discontinued June 30 as Congress thought it provided. It dies, momentarily, only to be reincarnated as the International Cooperation Administration. When, through the courtesy of our chairman, the gentleman from Michigan [Mr. HOFFMAN], I was allowed to occupy the chair of the Government Operations Committee during hearings on Reorganization Plan No. 7, I heard a parade of able witnesses from the State Department and from Foreign Operations Administration testify as to the essentiality of separating these two agencies in the interests of efficiency, economy, and intelligent implementation of our foreign economic policy. Scarcely 2 years later the same people argue that the 2 agencies can function properly only if they are again back in essentially their former relationship.

As a well-prepared mourner at the funeral of FOA I find it difficult to consort publicly with its capricious ghost, ICA, especially before the body is interred.

I believe in international cooperation and in the fundamental concept of some United States aid in creating a strong, free bloc of nations. I do not believe our program of economic and military aid can continue forever at its present high level. I cannot conceive of the need for $757 million more for aid this year than last, especially with an $8 billion holdover. Surely the time has come to apply the brakes and re-examine the objectives and techniques of the program in the interest of the American economy and the American taxpayer. I am convinced that the day of the shotgun approach to foreign aid programs is over. Is it not time to reach for the rifle, pinpoint our aid targets and save on ammunition?

Mr. Speaker, had I more time, I would like to quote at length from last Sunday's lead editorial in the Indianapolis Star, Representing Whom?; last Monday's editorial from the Indianapolis News, Let This Set the Pattern; and from Peter Edson's column in today's Washington Daily News which will probably be carried by the Indianapolis Times, Foreign Aid, Like the Weather, Goes Right Along. Under unanimous consent, I ask they be inserted in the RECORD.

[From the Indianapolis Star of June 5, 1954]

REPRESENTING WHOM?

Sometimes we wonder just whom our "representatives in the House and Senate really think they represent. Some recent votes on bills to increase expenses, add new projects, increase foreign aid without decreasing either taxes or the budget deficit are surprising.

The American people are paying and have been since 1948, the biggest tax bill in American history. Yet we still have no balanced budget. We still have had only token tax reduction. We are still adding to, not subtracting from, the expensive and expansive nature of a government that is today the biggest in our history.

This year one or both Houses of Congress have approved bills to increase Government salaries—including their own—but they have not decreased the people's taxes. The Senate has just increased foreign aid over last year and the new total is about the size of the Federal deficit. It is noteworthy that in the foreign aid bill is $40 million for Communist Dictator Tito plus some planes and guns of undisclosed cost. Also about $65 million is earmarked for "neutralist, socialist" Nehru of India. Both of these gentlemen have of late expressed direct opposition to American foreign policy plans. Each vigorously support entrance of Communist China into the U. N. which only 10 percent of the American voters (according to the Gallup poll) support and 67 percent vigorously oppose. Now whose interest does a Senator or Congressman serve by voting against the wishes of 67 percent of the American people—and probably more?

If foreign aid were stopped right now, we could immediately balance the budget. If foreign aid were stopped right now we would save enough to reduce individual income taxes by 10 percent. Do Members of the Senate or House think their constituents would oppose such a tax cut or an end to deficits? Do they really believe the voters would rather send out more foreign aid than pay 10 percent less in taxes?

As a matter of fact how much do we really need that additional money just approved by the Senate for foreign aid? The Foreign Operations Administration right now has $8,728,000,000 left over which it can spend for foreign aid next year if it wishes. The Senate voted to add $2,500,000,000 to this for next year. That is over $11 billion. Do you know how much money that is? It is enough to reduce your taxes by more than 25 percent. It is enough to give us a Federal surplus of $7,500,000,000 next year. It is over 18 percent of the total Federal budget. And it is all going abroad.

Almost every European nation we propose to aid has a balanced budget or surplus. Asiatic nations, no doubt, can use technical help, administrative help, and medical and agricultural assistance. But most of them cannot absorb large amounts of capital, they have no industrial base. Special programs for States like Pakistan, or Nationalist China or Korea and the Philippines, which support us, might be worthwhile. But $11 billion? That is almost one-third of what we spend on our total arms program.

Congress is making foreign aid a permanent, not a temporary program. It is leading other nations to expect foreign aid whether they help themselves or help us or whether they do not. Congress, at least the majority, is now in the very strange position, for a democratic body, of paying greater heed to people in foreign countries and listening more to Washington bureaucrats than they do to the American people and their own constituents.

We do not believe the inevitable and angry backfire from the American people is going to be long in coming.

[From the Indianapolis News of June 6, 1955]

LET THIS SET THE PATTERN

In a new agreement with Pakistan, the Washington Government is getting onto the right track in its foreign-assistance programs. It is providing incentives for private capital investment.

Pakistan, with a dynamic industrial and public-works program, is an inviting market for American investors. Prime Minister Mohammed Ali declares: "We believe without reservation in the free-enterprise system."

Our State Department has announced that we are prepared to consider making guaranties to any person of new investments for the establishment, expansion, modernization, or development of enterprises in Pakistan.

In return, the Karachi Government has pledged to permit repatriation of capital and profits, to grant special tax concessions, and to allow accelerated-depreciation allowances.

This is a welcome return to sound foreign economic policy. It is the very opposite of down-the-drain free Government grants. It is a policy of mutual profit.

Such a policy, of course, requires that private capital be freed of the possibility of seizure, nationalization, and confiscatory taxation. Other countries which need and expect our economic assistance should take note.

And our own Government could well follow this pattern in encouraging free-enterprise financing for projects in Latin America and elsewhere.

The first test should be proved friendship for the United States. The second should be stability of government. And the third should be the removal of all discriminations against the outside investor, with fixed safeguards against expropriation.

The sooner needy countries take the attitude of Pakistan in these matters, the sooner can they receive the benefits of our free-enterprise brand of prosperity. It is up to them. Meanwhile, it is to be hoped that the Pakistan agreement signals the end of American taxpayer doles for indefinite indigence abroad.

[From the Washington Daily News of June 8, 1955]

FOREIGN AID, LIKE THE WEATHER, GOES RIGHT ALONG

(By Peter Edson)

In spite of all the objections, American foreign-aid programs roll on year after year.

Last year Congress ordered the Foreign Operations Administration liquidated as of June 30. But the United States Senate has now approved continuation of this spending under a new International Cooperation Administration in the State Department.

New funds of nearly $3,500,000,000 are authorized for next year. This is $800 million more than was appropriated last year. It is some $17 million more—for technical assistance—than President Eisenhower recommended to Congress.

The battle today moves over to the House where the usual opposition to foreign aid is expected.

ARGUMENTS AGAINST

It will be argued that aid to neutrals like India and maybe Yugoslavia, too, should be cut off.

It will be maintained that any country having trade with Iron Curtain countries should not get aid so long as Americans are held prisoner by Chinese Communists.

Figures will be cited that the foreign-aid programs have $8 billion worth of carryover funds and that therefore no new appropriations are necessary.

It will be patriotically declared that no American aid should be given to build up the industrialization of foreign countries so that they will become competitors.

HOOVER REPORTS

These principal arguments will be backed up by recommendations made in the latest task-force report from Herbert Hoover's Commission on Government Reorganization.

The Hoover report recommends savings of $360 million on nonmilitary foreign aid for the coming fiscal year. This is a little over 20 percent of the $1,700,000,000 economic half of the foreign-aid budget.

It is noteworthy that the Hoover task force recommended no cut at all in the military aid budget of $1,700,000,000. Also, it does not recommend that the economic-aid program be completely discontinued. It merely wants the program reorganized.

Gen. George Marshall, as Secretary of State, thought foreign aid should be administered by his Department. Congress wouldn't have it that way and set up an independent operation.

So after 7 years of kicking the dog around under various names—ECA, MSA, FOA, and ICA—the Eisenhower administration and the Hoover Commission recommend that the business be put back in the State Department kennel, to complete the walk around the block.

DULLES IS RELUCTANT

Secretary of State John Foster Dulles apparently isn't too keen to have this responsibility thrust upon him. John B. Hollister, designated as the new administrator of the program, hasn't revealed his ideas on the subject.

Anyway, it's their pup now. And what all this juggling has accomplished is impossible to determine.

Friends of the foreign-aid program maintain that it would have been far better to set a firm policy and then stick to it. This would have created more confidence in American intentions among the friendly countries being helped. It would also cause more consternation among potential enemies.

Radioactive Fallout

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1955

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks by Dr. Willard F. Libby, Commissioner, United States Atomic Energy Commission, at the alumni reunion, University of Chicago, Chicago, Ill., Friday, June 3, 1955:

RADIOACTIVE FALLOUT

Radioactive fallout is the radioactivity which falls out of the atmosphere after the explosion of a nuclear weapon. The nuclear reactions furnishing the energy in atomic and thermonuclear weapons produce radioactivities as end products. In the ordinary atomic bomb, for each 20,000 tons of TNT equivalent, about 2 pounds of radioactive materials are produced. In these 2 pounds are some 90 different radioactive species, varying in natural lifetime from fractions of a second to many years. The mixture as a whole decreases in radioactivity in such a way that for every sevenfold increase in age, the radioactivity is decreased tenfold.

Thus the radioactivity by 7 hours after the explosion has decreased to 1/10 the radioactivity at 1 hour; at 49 hours (roughly 2 days) to 1/100; at 2 weeks to 1/1000; and at 3 months to 1/10000.

The conditions of fallout, of course, are largely determined by the amount and type of material vaporized into the fireball of the bomb itself. A bomb fired in the air contributes such a small amount of matter to the cloud that the particles are of necessity very tiny and very slow in settling. The result is that most of the radioactivities are expended in the air and the area of dissemination is very large indeed, usually extending to the ends of the earth in minute though detectable amounts.

A bomb fired on the surface of the earth, however, may have a major portion of its radioactivity reprecipitated within short distances. In fact, bombs fired beneath the surface of the earth may place essentially no radioactivity in the atmosphere. So, the question of the area of contamination to be expected from atomic and thermonuclear weapons cannot be answered categorically without specifying the degree of contact of the fireball with the surface of the earth, and probably also the chemical characteristics of the surface. Certainly it seems clear that firing over water should create very different precipitation conditions from firing over soil. It also seems likely that firing over various kinds of soil must affect, to a great degree, the rate and extent of contamination by fallout.

In general, the principles are simple, although difficult of exact application. The radioactive cloud, formed by the cooling of the fireball, has in it the radioactivities characteristic of the nuclear explosion. Many of these are nonvolatile materials and will settle upon and condense upon the first solid surface which they contact. In this way, they are precipitated in and upon the solid particles formed by the condensation of the bomb materials and any other materials drawn into the fireball. It also is true that material drawn up into the stem and passing through the cloud can be contaminated superficially and can in itself serve as an important precipitation mechanism for the radioactivity. Thus, we see that it is difficult, indeed, to predict in advance exactly what fraction of the radioactivity the bomb produces will fall near the test site as compared to the fraction falling at great distances. One can say that the fraction precipitated near the test site usually is large for surface shots and relatively small for aerial shots, defining aerial shots as those in which the fireball does not touch the ground and surface shots as those in which the fireball does come in appreciable contact with the surface of the earth.

The extent to which the radioactive fallout is spread, is determined, of course, by the winds, the particle size in the cloud, and to a certain degree by the atmospheric and meteorological conditions, such as rainfall. All of these factors are complicated and require close and careful monitoring, in order to predict with any real accuracy, the probable contamination of a given area. Thus, when we say that the March 1, 1954, shot in the South Pacific, contaminated 7,000 square miles to a dangerous level, it should be borne in mind that these were under the particular weather conditions operating at the time, and that on another occasion, the area might be larger or smaller by a considerable factor. The point made in the AEC statement of February 15 was that the area is large and constitutes a real problem for civilian defense.

Let us consider for a moment, the fundamentals of the effects of radioactive fallout on living systems. How does radiation affect the organism? It disintegrates molecules in the system. This disintegration in itself constitutes a change, but possibly just as important is that the disintegration products may themselves have effects. This latter point is not clear although there is some evidence to indicate that it may be a very serious consideration. If the latter point is sound, it may afford us an opportunity to counteract the radiation-generated chemicals with medicines which will thus counteract the effects of exposure to radiation. Some evidence that this is possible is already available.

It is known that radiation dosages in the levels of 400 roentgen units (called r units later) are lethal to about half the individuals exposed, the symptoms following the exposure being remarkably predictable and reproducible. It is obvious that these radiation levels cannot be tolerated under present conditions, only some major discoveries in therapy could change them appreciably. Assuming for the moment that levels of 400 r are lethal, we can sketch out areas which might be contaminated from explosions of various dimensions. The uniform dissemination of 1,000 curies per square mile leads to a dosage rate of 1/10 r per day. At the present time, or rather on January 1 of this year, the average contamination of the United States corresponded to a dosage rate of 1/1000 r per year. The actual contamination of the United States was determined by direct measurements at a large number of stations located over the country. These data have been presented in a recent publication by Mr. Merril Eisenbud and Dr. John Harley of the New York Operations Office. This article appeared in the May 13 issue of the magazine Science, a few weeks ago. Of course, the rate of disintegration of the radioactive fallout decreases so rapidly with time that the low dosage rate on January 1 of this year should not be taken to indicate that the dosage during the Pacific tests was correspondingly low. In fact, as we can best estimate the average dosage in the United States was about 15 times higher, or about 15/1000 r during 1954. If all of the dosage from all atomic tests in all time, that is since 1945, be added together, the total dosage for people in the United States averages considerably less than 1/10 r, or the dose that would be attained in 1 day for a distribution of 1,000 curies per square mile, and is in itself, 1/6000 of the lethal dose.

To understand this situation more completely, let us follow a nuclear explosion releasing 10 megatons of fission energy, or 1,100 pounds of fission products. For purposes of illustration and simplification, let us make some assumptions about the rate at which the material will precipitate. Let us assume that it is airborne for 1 day and then is disseminated uniformly over an area corresponding to 100,000 square miles. Since the total fission products from an explosion of a bomb giving 10 megatons fission products, 1 day old, will be 66,500 million curies, the initial dosage rate will be 67 r per day. In other words, a residence or exposure time of a few days in such an area could be dangerous. Of course, realizing that the disintegration rate decreases rapidly in time, we might well say that a matter of several days would be available for evacuation, or more importantly for decontamination of the inhabited parts of the area. An area of 100,000 square miles is so large that evacuation may be a bit impractical. One should remember that the contaminating material is a light dust which, of course, will settle extremely gently on the surface of the earth and should be easily dislodged and removed. One envisages all sorts of devices and methods so that a contamination of 67 r per day dosage rate, one ought really to be able to do very considerable in decontaminating an area. Of course, if this same amount of radioactivity had been precipitated over a 10 times smaller area, there would have been no hope of decontamination until the material had cooled about tenfold, but, it is always true that in regions of heavy fallout, such as these two, decontamination and protective measures must follow. In a period of waiting for cooling to occur to a level where decontamination is possible there is only a choice between staying indoors in shelters and shielded evacuation in shielded cars or by helicopter. Under no conditions in such areas should people remain resident without shelter or decontamination.

How should decontamination be conducted? In the first place, there should be some way of measuring the radiation—such as geiger counters, or scintillation counters. Some type of instrumentation is necessary. Then with just native intuition and good sense the clean up should be conducted according to the rules of the Federal Civilian Defense Agency. One should know that a yard of earth or water is fairly good protection and that 2 or 3 feet of concrete is excellent, and that getting away from a contaminated area is best. For example, a basement of a house will have low radiation levels, since the contamination will lie on the roof. The interposition of the distance in itself is protection. All of these matters are matters of commonsense which are not difficult to grasp. It would seem that the use of brooms, fire hoses, and similar devices and methods as well as the intervention of natural forces, such as rain and wind, may do a very great deal to decontaminate an area. Probably it would be necessary to keep an area posted so that the levels of radiation be known to the inhabitants. It is clear that this type of activity of the Federal Civilian Defense Agency could be one of its most important and deserves the fullest cooperation of all of us. Mose tests on methods of decontamination need to be made.

Returning to the fission products themselves, one can imagine that certain of the materials which last longer deserve special attention. Among these is a long-lived isotope of strontium, strontium-90. Its average lifetime of 30 years means that it will be with us for a generation. It also is produced in high quality, about 2.5 percent of all the fission explosions or fission acts yield this particular isotope. It also is chemically so similar to the element calcium, which is so fundamental to the human body that it is incorporated into living organisms in the bone structure and thus irradiates it and constitutes a potential source of bone tumor. The Atomic Energy Commission has conducted careful assays of the strontium over the earth's surface and in the biosphere—the living matter in the world. The article of Mr. Eisenbud's and Dr. Harley's, referred to earlier, gives quantitative data for the occurrence of strontium-90 in the soil of the United States obtained over the last several years, the latest figure being 1/1000 curie per square mile in the top few inches of soil. This is an interesting number to consider. Assuming that the whole earth is contaminated at this level, and remembering the strontium-90 fission yield, one can say that the 200 million square miles which constitute the surface of the earth corresponded to 200,000 curies of strontium-90, or to about 2 megatons total fission, since 1 megaton of fission corresponds to 90,000 curies of strontium-90. Actual assay of the soils in various places over the earth indicates that the value for the United States is fairly typical, although possibly a little higher than average, and that the world does have in its topsoil something like the amount of strontium-90 produced by 1 megaton of fission products. The level of strontium-90 in the milk products and other

products carrying calcium which are derived from the soil corresponds well. The level is about 2.2 disintegrations of strontium-90 per minute per gram of calcium in the biosphere, though it varies somewhat with conditions and localities. This fairly average assay for bone structures and other calcium containing systems in living organisms is to be compared with the natural radioactivity of the carbon of the body which has 15 disintegrations per minute per gram and the potassium which has 2,000 disintegrations per minute per gram.

The question of the safe level for strontium-90 contamination of the biosphere is, of course, a very important one. It is estimated that the first noticeable effects of strontium-90 would be in the formation of bone tumor. Estimating from the experience obtained with radium—which, by the way at the present time is approximately as hazardous at the moment as strontium-90, that is the radium in ordinary drinking water happens to constitute about the same level of radiological hazard as does the strontium-90 in ordinary foodstuffs—all of the evidence indicates that the first effects, namely the formation of bone tumor would appear at levels about 10,000 times greater than the present. In other words, instead of having 2 disintegrations per minute per gram of calcium in the body, 22,000 disintegrations per minute per gram might well be expected to give an observable increase in bone tumors. It is interesting in this connection that since the strontium-90 segregates to the bones it constitutes no genetic hazard insofar as we know, because the genetic hazard arises from direct irradiation of the reproductive organs.

The interesting question arises as to why the strontium-90 level is not higher since much more has been produced than is found scattered around the world. However, on further thought it is obvious that the large bombs fired at the Pacific testing grounds had a large fraction of their radioactivity precipitated rather immediately into the depths of the ocean and, therefore, removed from the biosphere. Possibly an additional explanation of the low strontium-90 assay in the world is that there is a considerable amount of it still residing in the atmosphere. It seems likely that both considerable local precipitation into the Pacific, and long residence in the atmosphere are involved. In fact, direct samples of the atmospheric dust do show a higher strontium-90 content than of other fission products. And there is no doubt a considerable amount of strontium-90 stored in the atmosphere which is slowly being precipitated. In the case of strontium-90, in contrast to other fission products, storage times of many years in the atmosphere will not be effective in reducing its activity appreciably, so we can be quite certain that whatever strontium-90 resides in the atmosphere will find its way to the surface of the earth and probably have a chance to enter the biosphere before its radioactive disintegration. However, the amounts in the atmosphere probably are small compared to the fallout of strontium-90, so we need not fear any large additional contamination from this source.

To recapitulate—the explosion of nuclear weapons has given a detectable quantity of fission products over the whole earth's surface and in amounts which are fractions of the total amounts actually fired. It seems that the local fallout removes a considerable fraction of the fission products produced. The largest bombs fired, namely, those in the Pacific, have all been surface shots so this seems a reasonable conclusion. In fact, it probably is a prediction. We know, therefore, that no hidden sources of fission products will be discovered and we believe that the data at present available from the measurements made at the monitoring stations of the Atomic Energy Commission are valid and sound—the whole set of assays make a reasonable and integrated picture. A good fraction, but a small fraction, of the fission products produced in the surface shots are carried over great distances, in fact, over nearly the entire earth's surface. But the most of the radioactivity is precipitated locally, from surface bursts.

If we return now to our 10 megaton figure and imagine that the bulk of the radioactivity is precipitated locally, say in an area of 100,000 square miles, producing at the time of 1 day, 67 r per day dosage rate, we can say that the people who live in this area would have a good chance of survival if they were educated in the facts of radioactivity, and proceeded without panic and with good sense, to take care of themselves. What should they do?

First, they must have instruments to know what the dosage rates are. They should set reasonable tolerance limits such as 10 r. This means that during the first day they must be extremely careful not to run into pockets of radioactivity and they must stay indoors most of the time in shelters. After a week, the permissible exposure time will be 10 times longer and the radiation rate will have been reduced to about 6.7 r per day, so that it will be possible to spend several hours outside. It is also clear, of course, that ingenious devices such as streetsweepers, in which the driver sits on a bag of sand or a thick metal slab to protect him from radiation, could be used with great effectiveness. It is also clear that crews could operate with street-cleaning and fire-fighting machinery, to decontaminate cities. In the countryside such devices as plowing fields might be most effective. The natural weathering processes which occur in the open probably are extremely effective in reducing the contamination level, in fact, just the blowing of the winds and the movement of dust and soil will help to cover up the material.

Remembering that the natural disintegration rate decreases tenfold for every sevenfold increase in age, we can say that after a week we are down to 6.7 r per day, and considerable freedom of motion is allowed. Even at the time of first contamination in 1 day, a matter of a few minutes is allowable. In fact, several people have received dosages of 100 r and survived. This is well below the lethal dosage rate of 400 r. However, dosage rates of 100 r are serious, particularly if applied to large populations.

At the rate of 100 r, about 12 percent of the reproductive cells will be expected to have 1 or more new gene mutations. Since new mutations are usually deleterious in effect, exposures of people to dosages like 100 r can lead to undesirable genetic effects in later generations. We can expect, therefore, exposures of large numbers of people to dosages like 100 r can lead to deaths and mutilations in later generations. However, in the case of a nuclear war, the immediate deaths and the question of survival may somewhat outweigh the genetic effects which will be introduced and, in keeping our minds on the question of survival, we can see how an area of 100,000 square miles contaminated with 10 megatons of fission products, will still allow people to get along although at considerable inconvenience until radioactive decay, human efforts at decontamination, and natural weathering processes have returned the area to a completely safe condition.

At this point, I should like to speak to you about the facts of life as far as natural radioactivities are concerned. As of January 1 of this year the total dosage rate averaged over the United States due to all nuclear explosions as I said earlier, was about 1/1000 r per year, though the total received during the year was higher at about 15/1000 r. To orient ourselves, the workers in the Atomic Energy Commission plants are allowed to have a maximum tolerance exposure of 15,000 times this. Of course, it is to be remembered that such a rate if applied to the entire population of the world might have significant genetic effects. However, a small fraction of the population can accept such irradiations with relative safety since the chances of individuals having genes mutated in the same way, marrying, are so infinitesimally small if a small fraction of the population is exposed. However, as far as immediate or somatic damage to the health is concerned, the fallout dosage rate as of January 1 of this year in the United States could be increased 15,000 times without hazard. In fact, it seems clear that it is very, very conservative indeed as far as these immediate effects on the health are concerned. Tests, therefore, do not constitute any real hazard to the immediate health.

Let us examine now the radioactivities which are always present and compare them with the fallout radiations, because these general background radiations do affect the question of the genetic effects from fallout since everyone in the whole world has always been exposed to these natural dosages. The world in all its parts in the sense is radioactive and always has been. The carbon in the body, in your bodies, is naturally radioactive. It has in it enough radioactive carbon so that 15 atoms disintegrate every minute for each gram of carbon. In this disintegration a certain amount of energy is released which can be described in r units. You receive from the radioactive carbon in your body 1.5/1000 r per year. However, carbon in the body is the smallest part of its radioactivity. The largest source of radioactivity in the human body is potassium. It gives 1,800 disintegrations per minute per gram to form calcium and 180 disintegrations per minute per gram to form argon. In other words, 1,980 disintegrations per minute total. From these the human body receives 19/1000 r per year, to give a total together with the radiocarbon of 20/1000 r per year of natural inherent dosage. In fact, the radioactivity of the human body and the nature of its radiation is such that people receive dosages from one another which are measurable and considerable in terms of the fallout dosages. It can be calculated that people packed in a dense crowd receive about 2/1000 r per year dosage from the radioactive potassium in their neighbors' bodies, somewhat more than that which applied in the United States on January 1 of this year from the total of test fallout.

The principal sources of natural dosages, however, are not the human body, but the cosmic rays and the radioactivities in the earth itself. The cosmic rays at sea level give between 33/1000 and 37/1000 r per year, depending on latitude, being least intense at the equator. At 5,000 feet altitude, the dosages climb and range between 40/1000 and 60/1000, depending on latitude; at 10,000 feet, they range between 80/1000 and 120/1000; at 15,000 feet, between 160/1000 and 240/1000; and at 20,000 feet, between 300/1000 and 450/1000 r per year. It is clear, therefore, that people dwelling at high altitudes, receive dosages from the cosmic rays which are large as compared to the body dosages and to the test fallout dosages. In addition, the surface of the earth is radioactive because of the potassium, thorium, and uranium which are naturally present. In ordinary granite rock, there are about 13 grams of thorium per ton, about 4 grams of radium, and about 30 kilograms of potassium. These give dosages, which together with those from the cosmic rays and the human body radiation produce total radia-

tion dosages due to normal background irradiation at sea level over granite rock of between 143/1000 and 147/1000 r per year, depending upon latitude. These are increased at 5,000 feet to 150/1000–170/1000; at 10,000 feet, to 190/1000–230/1000; 15,000 feet, to 270/1000–350/1000; and at 20,000 feet, to 414/1000–560/1000 r per year. All of these dosages are for people living on the surface of the earth. In other words, the 15,000 feet figure here pertains to natives living in the high reaches of the Andes Mountains. The 5,000 feet level would apply to people living at that altitude on the surface of the earth.

If one considers the dosage rates for airplane pilots, the radiation from the surface of the earth is absorbed by the air, 50 percent absorption occurring in about 370 feet of air at sea level. In other words, at something like 100 yards, the radiation dosage from the rocks and earth surface is cut to half, and so the dosage for airplane pilots is very largely due to the dosage in their bodies themselves, about 20/1000 r per year and, to the cosmic rays which at 20,000 feet may amount to as much as 450/1000 r per year, and even at the equator as much as 300/1000 r per year. Interestingly enough the open ocean is the least radioactive of the various portions of the earth's surface. The total dosage of open oceans is 53/1000 r per year at the equator, and may rise to as high as 57/1000 r per year in northern and southern latitudes, the large decrease relative to the granite surface figures being due to the fact that uranium and thorium are practically absent from sea water, being less than 1/1000 as abundant as in granite rock. Although potassium is present, it also is only 1/100 as abundant as in granite rock. Therefore, the seafarer has the lowest natural dosage rate of any other profession.

Sedimentary rocks are less radioactive than granite rocks for the reason that opportunities have presented themselves for the removal of natural radioactive constituents. Of course, by the same token certain sedimentaries may be even higher than granites, but on the average, we take that the typical sedimentary rock has about one-fourth of the uranium, thorium, and potassium content as granites. In this way, we expect that at sea level, the typical dosage rates over typical sedimentary rocks will vary between 76/1000 and 80/1000 r per year. All of these dosages are applied to the whole of the human population, and so we can expect that whatever the genetic effects of radiation be, they have been in application since the beginning of human time.

There are certain other hazards which apply to a limited fraction of the population. For example, the luminous dial wristwatch, which on the average contains about 1 microcurie of radium per watch, will give 40/1000 r per year to the central portions of the body, if we assume that the average distance from the wrist is 1 foot, a very considerable dosage comparable to the natural dosages. If we take our airplane pilot again and assume he has 100 dials, each with 3 microcuries of radium per dial, at an average distance of 1 yard, his dosage from these dials alone is 1300/1000 r per year, a very, very large increase over the natural. It, of course, is to be borne in mind that the airplane pilot is like the Atomic Energy Commission worker, he is a very small and selected fraction of the population and the principal hazards to the human race must be to his immediate health. Tolerance for this type of hazard being some 15,000/1000 r per year, a conservative basis, he really runs very little hazard. However, it is obvious that it could be dangerous for the whole human race to fly airplanes under these conditions. Other types of abnormal exposures are X-rays, although these, of course, are fairly common. The lumbar spine, anterior-posterior exposure, involves 1500/1000 r for each exposure; the lumbar spine, lateral, involves 5700/1000 r; pregnancy, anterior-posterior, involves 3600/1000 r; pregnancy, lateral, involves 9000/1000 r. It is well to remember that the roentgen is itself a measure of the energy added to the system by the radiation per unit weight of tissue and high local doses are not necessarily dangerous. In other words, our principal worries are about whole body radiations and not about local radiations. However, some of the X-ray exposures cover considerable portions of the body.

Uranium miners have higher dosage rates. The ore of lowest uranium content which the AEC will buy corresponds to 0.1 percent contained uranium. A surface rock made of this material will give people living on it 2800/1000 r per year, and a worker in a mine, all of the walls and ceilings of which consist of ore of this type, will receive 5600/1000 r per year. This neglects radon gas which may also be present and constitutes a slight additional hazard. Phosphate fertilizer also can constitute a radiation hazard on these levels. Phosphate fertilizer may vary between 0.01 and 0.025 percent uranium. Flat ground surface consisting of this rock will give radiation of between 280/1000 and 700/1000 r per year.

Considering all of these things, it is quite clear that the natural radioactivities of the body, the effects of the cosmic radiation and the natural radiation of the radioactivities of the earth's surface constitute hazards which are much greater than the test fallout hazards. It is also clear that if the genetic damages from radiation are real at these levels, we have always had them in much larger measure. This does not, of course, mean that they are desirable but it does mean that any genetic effects of the test fallout must indeed be small fractions of the effects which are normally present in the human population. It also means that in case of a full scale atomic war, where the amounts of fallout might well be expected to increase by large factors like a thousandfold, there will be additional hazards due to the fallout, additional to the blast and thermal and other better known effects of nuclear weapons, that should be seriously considered. In fact, there is a possibility that the strontium–90 in the foodstuffs at such level might increase the occurrence of bone cancer. Also, we should expect that genetic effects might be appreciable if they are appreciable for the normal radiation background. We should expect also that the immediate effects on health would be noticeable. These latter effects, of course, are well known to those who have studied the unfortunate Japanese people who were subjected to the full effects of the nuclear detonations in Hiroshima and Nagasaki in August of 1945.

I would like now to read a statement on the genetic question prepared by Drs. Failla, Warren, Burnett, Cantril, Doisy, and Stern of the Advisory Committee for Biology and Medicine to the Atomic Energy Commission:

"In its recent meetings the Advisory Committee for Biology and Medicine has carefully reviewed the state of our knowledge concerning the genetic effects of ionizing radiation with particular reference to the problem in relation to radioactive fall-out from atomic weapons. The following statement, in which we all concur, represents our best analysis of the problem and our considered opinions based on all of the evidence which has been collected.

"GENETIC CONSIDERATIONS OF ATOMIC WEAPONS TESTS

"One of the important tasks of the Division of Biology and Medicine of the United States Atomic Energy Commission has been the safeguarding of the public against the effects of atomic radiation. The Advisory Committee for Biology and Medicine, consisting of independent scientists from various institutions throughout the country, share this concern.

"The ability of radiation to change the genes, the heredity material of mankind, has been a topic of much public discussion. In view of the widely contrasting opinions which have been voiced, the Advisory Committee wishes to point out the following facts and estimates.

"1. The AEC from its inception has supported a large number of studies on animals and plants in order to increase knowledge on the genetic effects of radiation, particularly on mammals. These studies, conducted in numerous universities and research institutes, have been freely published in the scientific literature. The AEC has also supported the extensive investigation carried out, under the auspices of the National Academy of Sciences, on the survivors of Hiroshima and Nagasaki and the children born to them.

"2. Experiments on animals and plants and observations on man show that mutations occur spontaneously at all times. Most of these mutations act unfavorably on the development, growth or well being of individuals. The spontaneously mutated genes have accumulated in large numbers in all human populations. Their presence accounts to a considerable extent for the fact that at least 1 percent of all newborn exhibit developmental abnormalities, most of them to a very slight degree but some in a more serious way.

"3. Irradiation of animals and plants adds to the number of more or less detrimental mutations. Human genes must be considered as being equally subject to the mutagenic effect of radiation. Indeed, a considerable fraction of the so-called spontaneous mutations of man are probably caused by the natural background irradiation from cosmic rays, soil, and food.

"4. The radiation produced by fallout from atomic weapons tests as well as from present and future peaceful applications of nuclear energy will result in additional mutations in human genes. The number of these cannot be estimated accurately at this time. At the current rate of irradiation from fallout, among the 4 million children born each year in the United States perhaps from a hundred to several thousand may carry as a result of this irradiation a mutated gene. At most, a small percentage of these genes will produce any noticeable effect in the first generation. Only slowly, over hundreds of years will the majority of these radiation-induced genes become apparent, in a few individuals at a time, usually by causing a less than normal development or functioning of the person concerned. It will be impossible to identify these individuals among the large number of similar ones, affected by genes already present in the population due to accumulated spontaneous mutations.

"5. No measurable increase in defective individuals will be observable at any time as the result of current weapons tests, since the few radiation-induced defectives will not change measurably the number of about 40,000 defectives who will occur spontaneously among the 4 million births of each year in the United States. It may be pointed out that no significant change in the percentage of malformed children has been observed among those conceived after the war whose parents had been exposed to the atomic bombs in Hiroshima and Nagasaki.

"6. The foregoing conclusions apply only to the genetic effects of weapons tests carried out at the present level and of foreseeable peactime uses of atomic energy. The genetic effects of a generalized nuclear war would be one of many catastrophic consequences of such a disaster.

"May 12, 1955."

As you all know, the National Academy of Sciences is to undertake a general study of the effects of fallout on life. It is to be supported financially by the Rockefeller Foundation. The Atomic Energy Commission has offered to collaborate fully in furnishing information and other aid necessary. A similar study is underway in England by the Medical Research Council under the chairmanship of Sir Harold Himsworth, and we hope that the American and British studies will be fully coordinated.

Hon. Oveta Culp Hobby

EXTENSION OF REMARKS
OF
HON. ALBERT THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 8, 1955

Mr. THOMAS. Mr. Speaker, last week the Texas Senate passed a resolution praising Oveta Culp Hobby, Secretary of Health, Education, and Welfare, for distinguished service she has rendered the Nation. The resolution is certainly most timely and expresses sentiment to which I subscribe. The people of Texas and the Nation can be justly proud of Secretary Hobby and the outstanding job she is doing. She is filling one of the most difficult Cabinet posts in our Government, with great ability and distinction.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 9, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, whose thoughts toward us are always those of love and peace, wilt Thou give us this day a calm and courageous spirit.

We penitently confess that our minds and hearts are so often disquieted and distracted with thoughts of doubt and fear.

Help us to believe that we never go through the hours of any day alone and unattended and that Thou wilt keep us in perfect peace if our minds stayed on Thee.

May this faith daily become a blessed reality, for we know that without it life loses its strength and its song.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5100. An act to amend Veterans Regulation No. 7 (a) to clarify the entitlement of veterans to outpatient dental care;

H. R. 5106. An act to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing;

H. R. 5177. An act to authorize the Administrator of Veterans Affairs to reconvey to Richland County, S. C., a portion of the Veterans' Administration hospital reservation, Columbia, S. C.; and

H. R. 5695. An act to continue until the close of June 30, 1958, the suspension of certain import taxes on copper.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5089. An act to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1290. An act to amend the Public Buildings Purchase Contract Act of 1954; and

S. 2168. An act to amend the Fair Labor Standards Act of 1938 in order to increase the national minimum wage, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5085) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1956, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments Nos. 18 and 24.

Resolved, That the Senate recedes from Senate amendments Nos. 14 and 15 to the above-entitled bill.

PROVIDING AUTOMOBILES OR OTHER CONVEYANCES FOR DISABLED VETERANS

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5089) to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out all after line 19 over to and including line 6 on page 3.

Amend the title so as to read: "An act to extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I would like to inquire what this is about.

Mr. DORN of South Carolina. Mr. Speaker, this bill which was reported unanimously by the Committee on Veterans' Affairs on March 24 and passed by the House on May 2, on the call of the Consent Calendar, is an extension to the program of providing automobiles for veterans who have lost or lost the use of one or both hands or feet or who are blind as defined in Veterans' Administration regulations.

As passed by the House, the bill accomplished four things: First, it extended the time for applying for 2 additional years or until October 20, 1956; second, it broadened the law to cover those veterans who had this type of disability but who had remained in one of the branches of the Armed Forces; third, it extended the benefit to the veteran meeting the basic eligibility requirements but whose qualifying disability occurred subsequent to his discharge, and who made or makes application within 3 years after the occurrence of the disability; and lastly, it provided a veteran with a 1-year period to apply where the disability was not adjudicated as service-connected until long after his discharge, or perhaps after expiration of the basic time for filing.

The Senate committee in reporting the bill recommended only one amendment, and that was to delete the provision granting this benefit to men who remain in the service. The bill passed the Senate in that fashion.

While, of course, we would prefer to have the bill enacted in the form in which it was reported by the Committee on Veterans' Affairs and in the manner in which it passed the House, in view of the time element and other factors, I think the interest of all concerned will be served by concurring in the Senate amendment.

The gentlewoman from Massachusetts [Mrs. ROGERS], who originally sponsored this program, concurs in the decision to agree to the Senate amendment.

Mr. HOFFMAN of Michigan. Does the gentlewoman from Massachusetts, a minority Member, approve of the bill?

Mr. DORN of South Carolina. That is right. She is right here.

Mr. HOFFMAN of Michigan. I withdraw my objection, Mr. Speaker.

Mrs. ROGERS of Massachusetts. I do not like the elimination of that provision, but I think due to the fact that we might adjourn quickly, it is better to accept it and get the other provision through a little later.

Mr. DORN of South Carolina. I agree with the gentlewoman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. DORN]?

There was no objection.